



**Suzanne Sewell
President & CEO**

**Jon Fisher
Board Chair**

**Stephen Bailey
RESPECT Oversight Committee Chair**

**Suzanne Sewell
Acting RESPECT of Florida, Executive Director
Florida ARF President & CEO**



**RESPECT Oversight Committee Meeting
May 24, 2018
10:00 AM – 12:00 PM**

ROC Members:

Stephen Bailey	CARC / Chair
Amar Patel	Brevard Achievement Center
Carol Collins	SMA Behavioral Healthcare
Karen Higgins	PARC
Lee Nasehi	Lighthouse Works
Rich Gilmartin	GCE
Karenne Levy	MacDonald Training Center
Stephen DeVane	Duvall Homes
John Roper	The Arc of the Emerald Coast
Ron Sharpe	The Arc of the Bay

Present / via:

YES / via phone
NOT PRESENT
YES / via phone
NOT PRESENT
YES / via phone
YES / via phone
YES / via phone
YES / via phone
YES / via phone
NOT PRESENT

ROC Guests:

Carl Stevens	Brevard Achievement Center
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Present / via:

YES / via phone

FARF/RESPECT:

Suzanne Sewell	FL ARF President & CEO
John McBride	Service Contracts Director
Lindsey Davun	Commodities and Procurement Director
Dayna Lenk	HR / Compliance Director
Joe Pierini	CFO
Nancy Perlman	Contracts Manager

Present / via:

YES / in person
YES / in person
YES / via phone
YES / in person
YES / in person
YES / in person

Key Points Discussed		
No.	Topic	Highlights
I.	Call to Order	The RESPECT Oversight Committee was called to order at 10:00 a.m. by Chair Bailey.
II.	Roll Call	Roll call was conducted by Lenk. Members of the Committee were present via phone except for Ron Sharpe and Amar Patel. Carl Stevens with BAC attended as a guest. A quorum was announced.
III.	Approval 2/15/2018 Meeting Minutes	Bailey called for a motion to approve the February 15, 2018, ROC meeting minutes. Gilmartin pointed out two typo errors on page three of the minutes. Roper motioned and Nasehi seconded a motion to approve the minutes. The minutes were approved with the noted corrections.
III.B	Additions to the Agenda	Bailey called for any additions to the agenda. No additions were requested.
IV.	Old Business/Action Items	Bailey called for discussion on old business items. <ul style="list-style-type: none"> Disability Hire Goals: Sewell reviewed the results of a DMS public records request to determine how many disabled hires have occurred by state agencies since the induction of the Unique Abilities Bill (Gardiner Bill) as discussed during the last ROC meeting. The findings were: 352 total hires (70 were Select Exempt) and 34 were OPS. RESPECT will continue to monitor this issue and will advocate for inclusion of RESPECT jobs that meet the criteria for competitive employment status. RESPECT staff met with DMS to communicate the importance of the program and to encourage state agency purchasing to create more jobs. Staff met with representatives from Brevard Achievement Center (BAC) to discuss communicating the RESPECT message and the need to find a legislative champion who will support the mission of the program.

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V.	RESPECT Overview	<p>Sewell presented an overview highlighting the following:</p> <ul style="list-style-type: none"> • Staff are in the process of completing 2018 Program Reviews on all ECs. Overall, disabled labor ratios have improved but concerns were noted regarding revenues/expenses. Some ECs are not showing proper allocations of expenses, or they may need to add more disabled labor hours. • On May 4, RESPECT (Sewell, Davun, and McBride) met with DMS Secretary Erin Rock to discuss RESPECT and stress the need for state agency support. The meeting was positive in tone and Secretary Rock appears supportive, although she is a strong proponent of competitive bidding. • RESPECT continues to build stronger relationships with state agencies. In September, RESPECT will present at the DMS State Agency Procurement / Purchasing Directors meeting and will ask for at least one significant buy from each Agency. Davun and McBride continue to work with governmental agencies to increase buying through RESPECT. • Employment Center (EC) capacity is a concern and will be a focus once Program Reviews are done. • RESPECT Directors Davun and McBride attended the Florida ARF Employment Forum meeting to discuss how RESPECT is comporting with WIOA requirements. One inactive EC followed up indicating a desire to become an active EC. • RESPECT is working with VR on a model that will operate similarly to Project Search and will allow adults to earn wages through RESPECT with Supported Employment supports by VR and APD. • DMS has stated the RESPECT statute and administrative rule are low priority for rewrite because the program is operating as it should. • A few instances have been noted within our Policies and Procedures document that need amendments and will be discussed today for approval by the ROC. • Some ECs are concerned that RESPECT is only seeking 2% growth for the fiscal year. Sewell clarified the 2% growth factor is the number used for development of the operating budget. All staff work to maintain and increase RESPECT jobs and revenues. Our overarching goal is to reach 1% of state budgeted expenditures (\$85 billion) which would more than double the current projected fiscal year revenues of about \$30 million.

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VI.	Sales Report/ Audit Results	<p>Pierini reported on sales for FY 18 as of 3/31/2018.</p> <ul style="list-style-type: none"> • Service Sales = \$12.3 Million • Commodity Sales = \$3.2 Million • Sales were up year-over-year for both Services and Commodities by 4.0% and 3.7% respectively. • Concentration of sales for both Services and Commodities were reviewed. • A Five-Year Sales Trend for Services and Commodities and Combined RESPECT sales was presented. Total Sales have increased over the five-year period each year, with a total increase from FY 14 to FY 18 projected, by \$2.6 million.
VII.	Program Review, Monitoring & Corrective Action Status Report	<p>Lenk reported on the RESPECT Monitoring and Corrective Action Process and on the 2018 Program Review Status, as follows:</p> <ul style="list-style-type: none"> • 11 ECs have been removed from Corrective Action or Monitoring Status during FY 2017-2018 • 9 ECs are on Corrective Action or Monitoring Status • 5 ECs are on Corrective Action • 4 ECs are on quarterly Monitoring Status • 19 Program Reviews have been completed in the 2018 cycle. Of these ECs, 4 have been added to Corrective Action or Monitoring Status and 1 has already been removed from monitoring • 2 ECs that were on Corrective Action status in 2017 remain on this status following their 2018 Review.
VIII.	Proposed Policy and Procedure Clarifications / Revisions	<p>McBride led a discussion on proposed clarifications to the RESPECT Policy & Procedure manual.</p> <p>Remediation Process</p> <ul style="list-style-type: none"> • RESPECT recommends “Expedited Remediation” as part of the Program Review process to identify noted deficiencies or unresolved issues found during the Program Review that can be resolved quickly (30 days). An example may be a delayed acquisition of an expensive piece of equipment that, once bought, is likely to bring an EC’s revenues over expenses into line. Remediation can be offered as a process where an EC can request the status in lieu of Corrective Action or Monitoring if the issue can be resolved quickly. Approval of this status would allow quicker resolution of some Program Review issues but will likely result in ECs requesting this option in lieu of Corrective Action or monitoring. <p>ROC members approved the recommendation.</p>

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	<p>Proposed Policy and Procedure Clarifications / Revisions Continued</p> <p>(Continued)</p>	<p>Labor Ratios for two-person contracts</p> <ul style="list-style-type: none"> RESPECT proposes to memorialize allowances for single contracts to not require Corrective Action status when the ratio is barely above 50% with a team of two people, with one person having a qualifying disability, as long as the majority of direct labor standard is being met by the EC for the contract and the EC is not at risk of failing to meet the 75% agency-wide ratio. <p>Sewell commented customers often think the 75% agency-wide ratio requirement applies to all contracts and noted this policy may cause confusion for some customers. RESPECT's goal is for all contracts to meet the 75% disabled ratio goal, but the statute requires agency-wide compliance.</p> <p>Gilmartin opined RESPECT should not limit the 51% majority standard to a 2-person team and recommended that larger contracts be allowed to be operate in this manner so long as the Disabled Labor Ratio for the EC is not in jeopardy.</p> <p>ROC members agreed staff should develop written guidelines to address majority of labor concerns.</p>
IX.	Direct Labor Ratio Quality Assurance Status	<p>Sewell led a discussion regarding when Monitoring Status should be enacted, or ended, when individual contracts have disabled labor ratios above 51% but fall below 75% on an agency-wide basis, per Florida law.</p> <ul style="list-style-type: none"> Currently, contracts with direct disabled labor ratios below 75% are placed on Monitoring status. Contracts with ratios between 51-65% are monitored monthly, and those with ratios between 66-74% are monitored quarterly. If the agency-wide ratio is not met, the EC is placed on Corrective Action status. After studying performance data, RESPECT staff believe monitoring designations can be appropriately determined on a case-by-case basis. Under the new approach, Monitoring Status will be decided based on the level of risk the contract ratio represents for placing the agency-wide ratio at risk. During the Program Review process RESPECT will consider all EC contracts that might affect the agency-wide disabled labor ratio, and if the agency-wide ratio is strong, monitoring will not be required if the majority of labor standard is met. <p>ROC members concurred with the recommendation.</p>

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X.	Customized Commodities Policy Changes	<p>Davun outlined proposed changes for customized commodities:</p> <ul style="list-style-type: none"> • RESPECT will work with our EC partners to offer more standard items with set pricing that can easily be purchased through the RESPECT website - compared to pricing many customized items. • RESPECT ECs will have up to 5 business days to submit a quote to forward to the customer on all projects requiring additional customization. RESPECT will provide the logo and details of the customer request. • ECs must submit a Cost Breakdown Worksheet with each quote. • ECs and RESPECT Customer Service will use a standardized method of identifying price quotes. Subject lines of emails will include: requesting agency, name of customer, date requested. • Pricing provided to RESPECT will include all applicable costs to recover EC costs including: raw materials, direct and indirect labor, shipping, fringe, CNA fee, set up charges (setup charges can be separate from the unit cost), etc. • Pricing quotes will be valid for 30 days from the date provided to RESPECT. • RESPECT ECs offering customized commodities will need to provide pre-production proofs once a purchase order has been received. RESPECT will ensure the customer approves the artwork. • ECs will be expected to provide an estimated turnaround time for production after the artwork is approved. <p>ROC members granted approval for RESPECT to proceed with the above guidelines.</p>
XI.	General and Administrative Commodity Guidelines	<p>Davun discussed General and Administrative Guidelines (G&A) for Commodities and informed members that the pricing guidelines currently outlined in the RESPECT Policies and Procedures document are problematic for Commodities. Davun and Pierini will be looking at the pricing worksheets and developing an improved methodology since the Service Contract G&A guidelines cannot be realistically applied to commodities.</p> <p>Gilmartin suggested RESPECT locate a subject matter expert to assist with the guidelines development. Source America may have a subject matter expert who could assist RESPECT with this task. This recommendation will be pursued.</p>

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XII.	Commodities Update	<p>Davun provided the following Commodities updates:</p> <p>Program Reviews</p> <ul style="list-style-type: none"> • All completed by May 31 • One EC on Corrective Action status <p>Trade shows</p> <ul style="list-style-type: none"> • NIGP - Tampa, Milton • FAPPO - Orlando <p>Marketing initiatives</p> <ul style="list-style-type: none"> • Meeting with marketing firm on May 29 • Focus on state agencies, match with tailored commodity mix <p>Submitting product requests/price increase</p> <ul style="list-style-type: none"> • Quarterly: June 29, September 28, December 31 <p>New DMS requirement for product requests</p> <ul style="list-style-type: none"> • Heightened focus on value added including: <ul style="list-style-type: none"> ○ Breakdown of the production/ assembly/ packaging steps ○ Number of people who have severe disabilities to be employed ○ Number of hours to be worked to provide production of the product
XIII.	Service Contracts Update	<p>McBride provided the following Service contracts updates.</p> <p>Opportunities</p> <ul style="list-style-type: none"> • APD Call Center Services • Expansion of DEO Call Center Services • FWC Gainesville Janitorial (no longer) • FDOT District 6 Headquarters Janitorial • Florida Turnpike Enterprise Managed Print Services • FDOT District 3 Herbicide Application <p>Lost Contracts</p> <p>There are no lost contracts to report as of today, but as we go through renewals we may have a couple of losses. Department of Health CMS is shopping for a state-wide proposal for all CMS clinics which may impact two contract sites.</p> <p>Current Focus</p> <p>Emphasis remains on delivery of quality services. Two significant asset maintenance contracts were renegotiated successfully, in part, because service delivery improved.</p>

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	Service Contracts Update (Continued)	<p>Even with the focus on Quality Assurance, new opportunities keep arising.</p> <p>Program Reviews Service Contract reviews are still taking place with the expectation of being finished in early June.</p> <p>Compliance Because of issues discovered in 2018 Program Reviews, a few Employment Centers have been placed on either Monitoring Status or Corrective Action Needed Status. The revised RESPECT Policies and Procedures manual is serving us and our partner ECs well in providing clear and consistent guidance.</p>
XIV.	Next Meeting	<p>Next Call in Meeting – Aug 16, 2018, at 10:00 AM-12:00 PM.</p> <p>Follow Up for Next Meeting</p> <ul style="list-style-type: none"> • Guidelines to clarify direct labor ratio requirements • Guidelines to clarify monitoring guidelines • Guidelines for new RESPECT commodities policy changes • Amendments to commodities pricing sheets to address G&A component • Strategies for improved EC capacity
XV.	Adjournment	<p>After calling for any more business and none being stated, Bailey adjourned the meeting at 11:35 PM.</p>