



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  
August 16, 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  
YES / via phone  
YES / via phone  
YES / via phone  
NOT PRESENT  
NOT PRESENT  
YES / via phone  
NOT PRESENT  
YES / via phone  
YES / via phone

**ROC Guests:**

Terry Whaples      Lighthouse Works

**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 & Finance Manager

**Present / via:**

YES / in person  
YES / in person  
YES / in person  
YES / in person  
No / recording  
YES / in person

### Key Points Discussed

No.	Topic	Highlights
I.	Call to Order	The RESPECT Oversight Committee was called to order at 10:05 a.m. by Chair Bailey.
II.	Roll Call	<p>Roll call was conducted by Lenk. Members of the Committee were present via phone except for Steven Devane, Rich Gilmartin, and Lee Nasehi. John Roper joined late.</p> <p>Terry Whaples with Lighthouse Works attended as a guest.</p> <p>A quorum was announced.</p>
III.	Approval 5/24/2018 Meeting Minutes	<p>Bailey called for a motion to approve the May 24, 2018, ROC meeting minutes.</p> <p>Sharpe motioned and Higgins seconded the motion to approve the minutes. The minutes were approved without any additions or corrections.</p>
III.B	Additions to the Agenda	Bailey called for any additions to the agenda. No additions were requested.
IV.	Old Business/Action Items	<p>Bailey called for discussion on old business items. Sewell reviewed written updates to RESPECT policy and procedure that were approved in concept during the previous ROC meeting, as follows:</p> <ul style="list-style-type: none"> <li>• Guidelines to clarify direct labor ratio requirements,</li> <li>• Guidelines to clarify an alternative to monitoring status – Expedited Remediation,</li> <li>• Written guidelines on new RESPECT commodities policy changes,</li> <li>• Amendments to commodities pricing sheets to address G&amp;A component – to be carried forward.</li> </ul>
V.	RESPECT Overview	<p>Sewell presented an overview highlighting the following:</p> <ul style="list-style-type: none"> <li>• Staff is closing out the Program Reviews for 2018; compliance with Chapter 413, F.S., has been the primary focus. Employment Center documentation regarding disabled labor ratios has improved.</li> <li>• ECs are having difficulty finding staff for contracts, low wages and staff preference to maintain their benefits are challenges.</li> </ul>
	RESPECT Overview (Continued)	

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		<ul style="list-style-type: none"> <li>RESPECT noted an increase in the number of questions about Revenue/Expenses – excess revenue must be invested back into the program.</li> <li>Patel requested to further discuss what is allowable for G&amp;A. Sewell indicated discussions are open to all, and that the ROC will need to approve changes to allowable G&amp;A.</li> </ul>
VI.	Sales Report	<p>Pierini reported on sales for FY 18 as of 6/30/2018:</p> <ul style="list-style-type: none"> <li>Service Sales at 6/30/18 were: \$18,220,833.</li> <li>Commodity Sales at 6/30/18 were: \$5,248,024.</li> <li>YTD Service Sales are below budget by 2%, or \$381k but up but are up Year-over-Year by 0.9%, or \$164k.</li> <li>YTD Commodity Sales are ahead of budget by 16%, or \$748k and are up Year-over-Year by 11%, or \$525k.</li> <li>Projected Sales for FY 18: \$30+ million.</li> <li>Pierini reviewed graphs and summary data pointing out how revenues are generated.</li> </ul>
VII.	Compliance 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"> <li>36 Program Reviews have been completed; 14 on the commodities side; 22 on the service contracts side; 2 service contract Programs Reviews are uncompleted at this time.</li> </ul> <p>Currently on Monitoring or Corrective Action Status:</p> <ul style="list-style-type: none"> <li>9 ECs are on Corrective Action or Monitoring.</li> <li>2 ECs are on Corrective Action – one is from the 2017 CY and one from the 2018 Program Review.</li> <li>6 ECs are on quarterly Monitoring Status.</li> <li>1 EC is on monthly Monitoring Status.</li> <li>8 ECs were added to Corrective Action or Monitoring Status in the 2018 Program Review Cycle, of those 4 have already been removed.</li> <li>5 are on MS/CA for direct labor ratios, 4 are on MS/CA for revenues/expenses, and 1 for performance issues.</li> </ul>

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VIII.	Re-Certification Updates	<p>Lenk gave a status update on the RESPECT Re-Certification data as it stood on 8/16/2018:</p> <ul style="list-style-type: none"> <li>• 4 Active ECs have yet to submit their re-certification data, it is to be submitted soon.</li> <li>• 4 Inactive ECs have yet to submit paperwork.</li> <li>• Currently, ECs show 1,133 individuals employed. This is 20 more jobs than last year with the same ECs reporting data.</li> <li>• Currently, ECs show 53 non-direct jobs held by individuals with disabilities. These are supervisory/administrative jobs and typically pay better wages.</li> <li>• Currently, ECs show average wages of \$9.53 per hour. This is an increase over last year.</li> </ul>
IX.	Apprenticeship & RESPECT	<p>McBride led a discussion regarding the RESPECT Apprenticeship program that teaches janitorial skills and offers employment certifications and advancement for RESPECT employees who go through the program.</p> <p>Introduction</p> <ul style="list-style-type: none"> <li>• National emphasis on apprenticeships</li> <li>• Some trades have better employment potential than a college degree</li> <li>• There are enhanced earnings opportunities for those who want to invest in themselves</li> </ul> <p>Benefits</p> <ul style="list-style-type: none"> <li>• Enhance select team members' skills</li> <li>• Depth of bench</li> <li>• Develop managers, supervisors and knowledgeable workers</li> <li>• Increase job satisfaction</li> <li>• Reduce turnover</li> </ul> <p>Apprenticeship Requirements</p> <ul style="list-style-type: none"> <li>• 144 Hours / 2000 Hours worked per year</li> <li>• DOE Approval</li> <li>• Incremental and total wage increases</li> </ul> <p>Process</p> <ul style="list-style-type: none"> <li>• Form committee, establish charter</li> <li>• Contract with ISSA for Train the Trainer</li> <li>• Provide training (open to all ECs)</li> <li>• Work with DOE and DOL to ensure adherence to apprenticeship model</li> <li>• ECs select apprentices and link to mentors from Train the Trainer class</li> </ul> <p>Resources</p>
	Apprenticeship & RESPECT (Continued)	

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		<ul style="list-style-type: none"> <li>• RESPECT will pay for the Train the Trainer</li> <li>• ISSA will fit current curriculum to the apprenticeship model</li> <li>• RESPECT may offer a travel stipend to ECs to increase participation</li> <li>• Training event held September 18-20, 2018</li> </ul>
X.	Microenterprise Grant	<p>Davun discussed the selection process and winner of the RESPECT Microenterprise Grant and reviewed Business Development Committee critiques:</p> <ul style="list-style-type: none"> <li>• Business Development Committee members approved the grant proposal for Steven By Design Paracord Bracelets.</li> <li>• Comments included working with Quest on allowing Steven more independence, instead of treating him as a subcontractor.</li> <li>• Jim Scarboro of Capital City Bank appreciated that the EC was offering support for the business.</li> <li>• Tom Derzypolski of Bow Stern agreed to consider marketing suggestions for Steven.</li> </ul>
XI.	Commodities Update	<p>Davun provided the following Commodities updates:</p> <p>Trade shows:</p> <ul style="list-style-type: none"> <li>• 2018 Fall Exhibition and Trade Show – October, Tampa Bay Area, NIGP (National Institute of Governmental Purchasing)</li> <li>• Reverse Trade Show – October, Sarasota, NIGP</li> <li>• Annual Reverse Trade Show – November, Maitland, NIGP</li> </ul> <p>Training:</p> <ul style="list-style-type: none"> <li>• Value added training for ECs – August 8</li> </ul> <p>RESPECT Awards – September 26:</p> <ul style="list-style-type: none"> <li>• 28 RESPECT workers nominated</li> <li>• 1 Special Recognition Award</li> </ul>
XII.	Service Contracts Update	<p>McBride provided the following Service Contracts updates.</p> <p>New Contracts:</p> <ul style="list-style-type: none"> <li>• APD Call Center Services (\$400,000 + 10 jobs)</li> <li>• FDOT District 3 Herbicide (\$250,000 +3 jobs)</li> <li>• DEO Call Center expansion (\$462,445 +10 jobs)</li> <li>• FDOT D5 (Increased \$200,327)</li> </ul>

Key Points Discussed		
No.	Topic	Highlights
	Service Contracts Update (continued)	<ul style="list-style-type: none"> <li>• FDOT D7 (Increased \$161,267)</li> </ul> <p>Opportunities:</p> <ul style="list-style-type: none"> <li>• SJRSC Janitorial (Former \$558,750 + 20 jobs)</li> <li>• FDOT District 6 Janitorial (\$300,000 + 10 jobs)</li> </ul> <p>Lost Contracts:</p> <ul style="list-style-type: none"> <li>• CMS contract at Ft. Pierce (\$37,569) DOH put out to bid. RESPECT retained the Escambia County contract and received a new PO for the new FY.</li> <li>• DMA Camp Blanding Zone 1 Mowing (\$23,731)</li> <li>• DEP Warehouse Annex Janitorial (\$19,220)</li> <li>• Jackson County Mowing (\$282,440)</li> </ul> <p>Current Focus:</p> <p>Delivering quality service on contracts. Despite spending more time on Quality Assurance, new opportunities keep arising.</p> <p>Program Reviews:</p> <p>Two Program Reviews not completed out of the 25 service reviews performed this year. (Incorrectly reported as one.)</p> <p>Compliance:</p> <p>Per issues discovered in the 2018 Program Reviews, a few Employment Centers (ECs) have been placed on either Monitoring Status or Corrective Action Needed Status. See earlier discussion on RESPECT 2018 Program Reviews.</p> <p>The revised RESPECT Policies and Procedures manual is serving us and our ECs well in providing clear and consistent guidance.</p>
XIII.	CNA Discussion	<p>Sewell led a discussion regarding the RESPECT CNA fee, and the scenarios that would be needed to bring about a reduction in the 6% fee:</p> <ul style="list-style-type: none"> <li>• The program's centralized, operational structure is funded through a CNA fee. If the CNA fee can be reduced, only customers would realize savings. Savings would be inconsequential on small contracts and commodity purchases.</li> <li>• Under current conditions, for every percentage point the CNA Fee is reduced, RESPECT would</li> </ul>
	CNA Discussion	

**Key Points Discussed**

<b>No.</b>	<b>Topic</b>	<b>Highlights</b>
	(Continued)	<p>need to reduce its' operational revenues by about 17%. A one percent reduction would result in position cuts and would greatly hamper the day-to-day operations of the program.</p> <ul style="list-style-type: none"> <li>• The CNA contract is up for renewal in April 2020. The program needs to remain totally compliant to ensure DMS renewal. Gutting RESPECT operations could jeopardize renewal.</li> <li>• The most achievable method of reducing CNA fees within the near future.is through the purchase of a building. This could offset annual expenditures by about \$100,000 per year if the building were purchased within existing resources.</li> <li>• Other options include reducing the CNA fee for new, larger contracts of \$2.5M or higher. To date, this type of opportunity has not presented itself but would merit further review if it appears.</li> <li>• Patel suggested that commodities should not be subject to the 6% CNA fee as the labor portion is a small cost of the production of the product. He further added that the lower fee would allow RESPECT to be more cost competitive.</li> <li>• Sewell stated the CNA fee covers more than the cost of processing the order, it covers credit card fees (2-5%), ARIBA fees for my Florida Marketplace transactions, and other costs to maintain a punch out catalog. Sewell opined revenues do not support a reduction in the CNA fee this year, but a slight reduction might be doable next fiscal year if sales remain strong.</li> <li>• McBride stated a 1% reduction is not enough of a price reduction to make RESPECT competitive.</li> </ul>
XIV	EC Capacity	<p>Sewell led a discussion on EC capacity and reported RESPECT will put together work groups to address capacity issues for commodities and service contracts. The groups will be tasked with developing capacity building concepts and strategies. Specific work assignments that come out of the work group efforts will have to be in keeping with current assignments or routed through the PFA process.</p>
.XV.	Next Meeting	<p>Next Call in Meeting – November 15, 2018, at 10:00 AM-12:00 PM.</p>

**Key Points Discussed**

<b>No.</b>	<b>Topic</b>	<b>Highlights</b>
XVI.	Adjournment	After calling for more business and none being stated, Bailey called to adjourn the meeting at 11:50 AM.  Roper motioned to adjourn the meeting, and Levy seconded the motion.