



NEMO WORKFORCE INVESTMENT BOARD • 111 E. Monroe • Paris, Missouri 65275 • (660) 327-5127 • Fax (660) 327-5128

NEMO WORKFORCE INVESTMENT BOARD CONFERENCE CALL MEETING MINUTES

June 6, 2011

PRESENT:

NEMO WIB MEMBERS

Beverly Gallagher
Steve Garner
Terri Jones
Kelly Hardcastle
Clarice Hill
Teresa Keller
John Liter
Jo Moncrief
Pat Poepping
Dan Putrah
Janice Robinson
Diane Simbro
Fred Vahle

CLEOs

Lyndon Bode
Ron Brewer
Dan Colbert
Glenn Eagan
Arden Engelage
Evan Glasgow
Stanley Pickens
Ryan Poston
Alan Wyatt

WIB STAFF

Mark Fuqua
Sharon Hillard
Cyndi Johns
Linda Studer

MEETING CALLED TO ORDER

Chairperson Fred Vahle called the June 6, 2011 NEMO Workforce Investment Board (WIB) conference call meeting to order at approximately 11:00 a.m.

ROLL CALL AND SIGNATURE SHEET

A roll call was taken. Thirteen WIB members participated in the call and a quorum was established. Nine CLEOs also participated in the conference call.

DISCUSSION AND RECOMMENDATION OF ONE-STOP COMMITTEE FOR PROVIDERS OF INTEGRATED NGCC WIA ADULT & WIA DISLOCATED WORKER SERVICES FOR NORTHEAST MISSOURI

One-Stop Committee Chairperson Clarice Hill presented the following recommendation of the committee:

- That the NEMO WIB contracts for the Warrenton sub-region for both the Functional Leadership and the Missouri Career Center Staffing be awarded to Boonslick RPC in Warrenton.
- That the NEMO WIB contract for the Hannibal sub-region for both the Functional Leadership and Missouri Career Center Staffing be awarded to MERS/Missouri Goodwill Industries in Hannibal.
- That the NEMO WIB contracts for the Moberly sub-region for both the Functional Leadership and Staffing be awarded to MERS/Missouri Goodwill Industries in Moberly.
- That the NEMO WIB contract for the Kirksville sub-region for Functional Leadership is awarded to MERS Goodwill Industries in Kirksville and that the contract for the Missouri Career Center Staffing is awarded to Gamm, Inc. in Kirksville.

Clarice Hill said the Committee based a lot of their decision on the cost. Jo Moncrief talked about the difference in cost for the functional leader requested in the budget submitted by MERS and the budget submitted by Gamm. Due to that difference and the current economic situation the Committee didn't feel they could justify awarding Gamm all three career centers.

Arden Englage asked if the agencies were going to have to live within their budgets or if this was just a way to get in the door. Jo said it was her understanding that the WIB would still have to have budget negotiations with whomever was awarded the contracts to make sure they could still provide all the need services within the amount of money the WIB was actually going to have available.

Fred Vahle said if during the negotiation process it was found that MERS underbid in rent and utilities, etc. and those numbers are pushed up then their proposal was useless. He said the WIB needed to stick with these proposals or not consider them.

Jo Moncrief said MERS already provides these types of services in the Southeastern Region and it wasn't like they were coming into this blind.

Terri Jones said all the Committee had to go by was what was presented. They did make a phone call to Gamm and to MERS to make sure they were comparing apples to apples on the way they were covering the career centers because MERS had provided their budget proposal together and Gamm had broken theirs out. She said it wasn't a decision the Committee took lightly, but they felt like they had to go with the numbers that were presented.

The difference in the budget proposals for rent/building/maintenance, etc. was discussed. Diane Simbro said one would think Gamm's numbers would be pretty accurate.

Jo Moncrief said if MERS could provide the same services, she didn't feel the WIB would be acting as good stewards of the money if the contracts were awarded to an agency that was going to cost at least \$46,000 more for the functional leader position than what MERS could provide it for and for the staffing for the Hannibal, Moberly and Kirksville almost \$50,000 more.

Dan Putrah said if MERS was capable of doing the work and if they could perform on budget were the two big considerations. Clarice said information from MERS shows that they are doing quality work. Diane Simbro asked if the Committee felt MERS could be up and going by July 1. The answer was yes. Jo said MERS has been doing the NGCC model in the Southeast Region this past year so it wasn't like they would be starting from ground zero and wouldn't have a clue as to what they were getting into. She said MERS already provides the CAP program in the Northeast Region and they probably already have staff and locations. Clarice said the Committee had investigated the quality of their work and was not trying to take the lowest bid; they were taking everything into consideration.

Pat Poepping questioned the number of staff being proposed. He felt Gamm was proposing more staff than MERS and said he took that into proportion and felt they would be coming in at about the same number. He said his other concern had to do with last week's findings of a MERS' executive that was found guilty of embezzlement of over a million dollars. Pat said he was worried about their people and how they watch their people. He felt that would be reason enough to throw the MERS proposal out. He felt they had an issue controlling their people and keeping an eye on their staff. He felt the WIB should be concerned about the quality of the firm and their ability to monitor their staff and they should have a better track record. He asked if the committee was aware of the issue and how they evaluated the issue.

Clarice Hill said the Committee did not know about the issue at the time of the evaluations. They were made aware of the issue later last week. She said it was her understanding that it was one individual who was responsible, and she didn't feel that the whole corporation should be held accountable for the actions of one person. However, she understood his concerns. Jo said the contract was for one year with the chance to re-new for two years. If, in that one year, MERS didn't hold their end of the bargain and provide the services they are contracted to provide or they had other issues, the WIB could cancel the contract and go on to someone else. Jo said this issue could happen within any organization. Who could say it couldn't happen to Gamm or Boonslick or anybody else who provides these services across the state of MO. She said MERS is a huge organization and we hear about embezzlements all of the time with various companies. Jo didn't feel the issue was reflective of the whole organization.

Arden Engelage said he felt for MERS to have this happen within their organization was a huge mistake and that they were not overlooking their people. He said Gamm was already in place and ready to go July 1 and we were talking about throwing them out and choosing a company

with an embezzlement problem for a year. He felt we should continue as is for a year and let MERS work out their situation.

The members further discussed the differences in the budget proposals and whether or not the agencies could provide the services for the funds the WIB would actually receive. Jo said the process put in place was to have anybody who wanted to bid to submit their RFQ. The committee reviewed those and then we had Boonslick, Gamm and MERS. The next step in the process was to have the agencies submit their budgets for each of the career center regions that they wanted to provide staffing and functional leadership for. Based on the evaluations the Committee did in both of those rounds, they were presenting their recommendation to the Board today. Then the Board is supposed to vote. Once it is decided who the WIB is awarding the contracts to, we still have the budget negotiation process to go through when we know the exact amounts we are going to have for the adult and dislocated worker programs. Again if the agency we vote for is MERS and we go to them with the final budget we have for these sites and ask if they can still provide the services for this amount of money and they yes then they get the contract; if they say no, then it goes to next agency in line which would be Gamm. Then they are going to have to say whether or not they are going to be able to do it.

Ryan Poston asked about the criteria for the functional leader position. It was explained that the WIB and DWD have to agree on the individual that is hired.

Terri Jones said the Committee met for hours and this wasn't an issue they took lightly. They felt they were following the rules of the procurement process and the guidelines of the RFQ. She had no problems with the quality of Gamm's work. She had worked with them for years. Although there may have been some issues this was not the time to address them. Terri said the Committee made its decision strictly on the bottom dollar. They calculated the different numbers of the staff, etc. and that was what they were presenting to the board. If the Board chose not to take the Committee's recommendation, then that was what would happen.

Jo Moncrief said if the WIB provides more money to the staffing agency that would be less money for the participants. She said WIA is about providing services to people in the Northeast Region so that they can become employed again, paying taxes again, and that is the bottom line. She said the participants were who the WIB needed to be thinking about. If we can save money and get the same quality of service from a different agency, then she didn't feel the WIB would be doing its job if it voted the other way.

Pat Poepping said his concern wasn't that one person did something wrong on the embezzlement issue; it was more with the management controls of MERS that would allow that to go on for a year before they caught it. He asked the members to consider that Gamm and Boonslick had been providing services to the region and hadn't had that type of problem.

Alan Wyatt asked why MERS wasn't chosen for the Warrenton Region since it was the lower bid. He asked why we weren't going with the cheapest across the board if we are trying to save money. Jo said the decision wasn't based only on the funding. She said the Committee took the first evaluation and the second evaluation and added those together and there was only a two or three point difference between MERS and Boonslick. However, when they totaled the numbers for Gamm and MERS, there was anywhere from a 17 to a 30 point difference. She said Gamm had a lower point score in the RFQ than MERS did and they also had a lower score in the budget.

Ryan asked for clarification of the points. Terri explained and reviewed some of the information that was provided the Board via email. She said there was only a three point difference in the Warrenton region and the Committee didn't feel they should make a change. Terri said she was very concerned about making all of these changes. She said she thought the One-Stop meeting would be very short but the Committee spent hours going through the information making sure they were looking at everything. They made phone calls to MERS and to Gamm and it wasn't an easy decision that brought them to this point. She said unless there was a way to go back and change the process, or a way to go back to Gamm and say this is what MERS said they can provide the services for and we will award it to you if you can do it for this amount this is our recommendation. She said but then we would have all the legal issues about how this process works. So that was where we were. We felt like we were supposed to look at the lowest and best bid that was presented and there was such a huge difference there.

Diane Simbro stated that this was a huge job for the Committee and she felt the Committee did a great job. She realized that the members had to be objective as they did this. Diane asked for clarification of how the points were awarded. Clarice and Terri provided the information.

Jo Moncrief addressed the concern of some of the members about the embezzlement issue at MERS. She said if MERS should be awarded the contract she didn't know why there wouldn't be a justifiable reason for us to address that with them at the time of the budget negotiations to get some type of guarantee from them that this issue was going to be monitored more closely. Alan felt that the agency would probably go through and evaluate their procedures to try to correct their problems. He said he wouldn't be as worried now about something like that happening as he would have been in the past. Cyndi Johns said the RFQ notes that the agency has to provide assurances that they have the ability to pay back any funds that are spent inappropriately or disallowed costs out of non-federal funds.

Terri Jones asked if there was any way in this process for the WIB to go back to Gamm and say we needed a lower bid. Alan said the WIB would have to go back to MERS as well. Terri said that was what she thought and that was why the Committee chose not to go with Gamm because they felt they had to go with the process as it was outlined and the way the bid process has to work in the state of MO.

Diane Simbro asked what would happen if one of the agencies decided to turn down the offer at the Kirksville Career Center. Jo said she assumed if in the budget negotiations one agency did not want to do it the way it was presented, we could then offer both the staffing and functional leader contract to the other agency.

The members discussed how the voting process would be done. It was decided that motion and ballot would go out by email and fax on June 7, 2011. The members could return their ballots either by fax or email. Ballots had to be returned by June 8, 2011 by 12:00 noon.

Terri said she thought a different type of motion could be crafted if that was what somebody wanted to do rather than just accept or decline the Committee's recommendation.

Pat Poepping moved to accept the One-Stop Committee's recommendation. Janice Robinson seconded the motion.

CLEO Evan Glasgow moved to accept the One-Stop Committee's recommendation. Stanley Pickens seconded the motion.

ADJOURN

The meeting adjourned at approximately 12:10 p.m.

Submitted by,

Jo Moncrief