



# Virginia Department of Corrections

## Facility Services and Work

### Operating Procedure 520.1

#### *Virginia Correctional Enterprises Administration*

#### **Authority:**

Directive 520, *Correctional Industries*

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### **REVIEW**

The Content Owner will review this operating procedure annually and re-write it no later than three years after the effective date.

### **COMPLIANCE**

This operating procedure applies to all units operated by the Virginia Department of Corrections. Practices and procedures must comply with applicable State and Federal laws and regulations, ACA standards, PREA standards, and DOC directives and operating procedures.

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## DEFINITIONS

**Classified Position** - Salaried position assigned to an Occupational Family and Career Group based on duties and responsibilities, and to a Role Code based on the compensable factors of Complexity, Results, and Accountability.

**Facility** - Any institution or Community Corrections Alternative Program

**Facility Unit Head** - The person occupying the highest position in a DOC residential facility, such as an institution, field unit, or community corrections facility

**Gross Profit** - Revenues less expenses incurred by the manufacturing facility. It does not consider Administrative costs or White Bark warehousing and distribution expenses.

**Non-Covered Employee** - A salaried employee who is not subject to the Virginia Personnel Act; also called excepted employee. Includes teaching, research, administrative and professional faculty; employees in the Judicial, Legislative, and Independent Branches; employees in the Executive Branch who are appointed by a court to exercise judicial functions; Governor's appointees ('at-will' employees); and employees of certain specifically excepted agencies and entities; see COV §2.2-2905, *Certain officers and employees exempt from chapter*.

## PURPOSE

This operating procedure governs the organization and administration of Virginia Correctional Enterprises (VCE) as an agency within the Virginia Department of Corrections (DOC).

## PROCEDURE

### I. Legal Basis

- A. VCE operates under COV §53.1-45, *Sale of prison goods and services; print shop.* (5-ACI-7A-08; 2-CI-6A-1)
- B. COV §53.1-47, *Purchases by agencies, localities, and certain nonprofit organizations*, establishes markets for VCE by requiring purchases by state agencies and allowing purchases by local governments and any nonprofit organization. (2-CI-6A-8) The Commonwealth of Virginia Agency Procurement and Surplus Property Manual lists VCE as the mandatory source for products and services that it provides. (2-CI-6A-9)
- C. VCE operates as a self-sustaining program based on COV §53.1-54, *Charges and catalogue; annual estimates of requirements by departments, etc.*, which requires that charges be established that will “defray the administration, operation and maintenance costs and make allowances for depreciation, return on capital and contingencies”.

### II. Mission/Vision/Strategic Plan

- A. The mission of the Virginia Correctional Enterprises is *"To strengthen future employment opportunities and marketable skills for inmates through on-the-job training and work development programs, supported by the production and delivery of quality products and services to our customers."* (2-CI-6A-2)
  1. This mission statement has been communicated to all VCE personnel and appears in VCE promotional materials.
  2. The VCE management reviews the mission statement annually and revises it as needed to reflect progress in the agency.
- B. The VCE vision statement is *"Creating promising futures and producing quality products."*
- C. The Chief Executive Officer (CEO) is responsible for executing the planning function for VCE through maintenance of the VCE strategic plan that outlines long-term goals and objectives for VCE. The CEO meets with Executive Staff who review the strategic plan at least annually to update it as needed. (2-CI-6F-1)

### III. Administration/Organization

- A. A Chief Executive Officer heads VCE under the supervision of the Deputy Director for Administration who reports to the Director of the Virginia Department of Corrections.
- B. VCE Organizational Chart (2-CI-6A-3)
  1. VCE is organized so that similar functions, services, and activities are grouped into administrative subunits and the Organizational Unit Head, or designee, of VCE will maintain and make available as needed a *VCE Organizational Chart*, which clearly designates the structure of authority, responsibility, and accountability at VCE.
  2. The organizational chart is reviewed at least annually and updated if needed.

### IV. Finance and Accounting

- A. In accordance with COV §53.1-54, *Charges and catalogue; annual estimates of requirements by departments, etc.*, VCE operates as a self-sustaining program funded by the sales of its products and services.



- B. Each VCE industry operating unit has an individual department number where expenses and manufacturing activity are tracked in VCE's cost accounting system in accordance with COV §2.2-803, *Financial accounting and control*, and in accordance with generally accepted accounting principles. (5-ACI-7A-12; 2-CI-6E-1)
- C. Annual revenue and expense projections are developed for each VCE industry operating unit as an established budget for the fiscal year. (2-CI-6E-2)
- D. VCE generates monthly and year to-date income statements for each industry and a consolidated balance sheet for the same period. (2-CI-6E-5)
  - 1. Financial reports are published for VCE leadership staff by the 10th business day of each month.
  - 2. The fiscal year-end period is kept open until mid-August to capture accruals.
- E. The actual performance of each VCE industry operating unit is analyzed at the end of each fiscal year. (2-CI-6A-5)
- F. In accordance with COV §30-133, *Duties and powers generally*, the Commonwealth's Auditor of Public Accounts conducts an audit of VCE at least once every three years. (2-CI-6E-4)
- G. All depreciable assets valued at \$5,000 or more and all controllable assets are maintained in the Commonwealth's Fixed Asset Accounting and Control System (FAACS). A physical FAACS inventory is performed once every two years. (2-CI-6E-3)
- H. During the last three business days of February each year, VCE conducts a physical inventory of raw materials, work in progress, and finished goods in the distribution center and in all plants. (2-CI-6E-8)

#### V. Human Resources

- A. Except for the Employee Grievance Procedure, COV §2.2-2905, *Certain officers and employees exempt from chapter*, exempts VCE employees from the *Virginia Personnel Act*. See Operating Procedure 145.4, *Employee Grievances*. VCE follows DOC Human Resources Operating Procedures.
- B. Examples of other relevant DOC Human Resources Operating Procedures include:
  - 1. Operating Procedure 102.2, *Recruitment, Selection and Appointment*
  - 2. Operating Procedure 102.3, *Background Investigation Program*
  - 3. Operating Procedure 102.6, *Staff Orientation*
  - 4. Operating Procedure 135.1, *Standards of Conduct*
  - 5. Operating Procedure 135.2, *Rules of Conduct Governing Employees Relationships with Offenders*
  - 6. Operating Procedure 135.4, *Alcohol and Other Drug Testing*
  - 7. Operating Procedure 145.2, *Employee Performance Management*
  - 8. Operating Procedure 145.3, *Equal Employment Opportunity, Anti-Harassment, and Workplace Civility*
  - 9. Operating Procedure 150.3, *Reasonable Accommodations*
- C. Exemption from the *Virginia Personnel Act* means that VCE employees are not classified into the Virginia Department of Human Resource Management compensation system so that procedures such as Operating Procedure 175.2, *Layoffs and Reduction in Workforce*, are not applicable.

#### VI. VCE Marketing and Business Operations

- A. Attachment 1, *Virginia Correctional Enterprises' Business Development Plan* guides the creation of new products within existing industries as well as new industries and outlines the information needed for VCE executive staff to make decisions concerning the development of new products or industries. (2-CI-6A-4)



- B. Virginia Correctional Enterprises' Marketing Plan (2-CI-6A-10)
1. VCE's Marketing Plan, consistent with the Business Development Plan, is the marketing plan to develop products and services that meet the needs of the marketplace, based on market research.
  2. Market analyses are periodically conducted for existing products to ensure current market pricing.
  3. Newly created products are designed and created to meet customers' needs at a price point that is compared against market value.
  4. The Marketing Plan is reviewed on a quarterly basis to ensure it continues to meet the need of changing markets.
- C. Virginia Correctional Enterprises routinely seeks customer feedback to ensure customer satisfaction. (2-CI-6A-11)
1. VCE utilizes an online customer satisfaction survey (<https://www.govce.net/satisfaction-survey>) that surveys customers to measure satisfaction with VCE Customer Service, VCE products/services, VCE Marketing and Mission, and VCE Installation. The survey link is sent by email quarterly to customers to increase feedback.
  2. This program reports monthly VCE Customer Service feedback to VCE Marketing on customer issues, suggestions and potential new product/service development opportunities.
  3. The Customer Release process uses an online procedure that allows VCE Marketing to analyze customer release trends by core target market and individual items on a monthly basis.
- D. In accordance with Virginia law, VCE is not allowed to sell products unless they: (2-CI-4A-10)
1. Have been incorporated into a finished product produced or manufactured by inmates.
  2. Are necessary for use with a product produced or manufactured by inmates.
  3. Are a component part of a product system, a portion of which comprises goods produced or manufactured by inmates.
- E. VCE utilizes an Enterprise Resource Planning/Manufacture Resource Planning system to capture customer orders, job creation, material ordering, inventory, manufacturing, tracking and shipping of product. This system is used in the creation of product codes with routings and bill of materials. (2-CI-6E-7)
1. VCE utilizes a method for developing prices of products and services that includes cost of production, administrative costs, and retained earnings. (2-CI-6E-6) See Attachment 2, *VCE Pricing*.
  2. VCE has written specifications (routings), drawings, and bills of material for products regularly produced in industry. (2-CI-6A-6)
  3. Each plant/industry has its own written instructions for quality inspection of raw material, in process work, and final inspection. (5-ACI-7A-11)
  4. VCE's warranties, and return policies are comparable to the marketplace and utilize the manufacturer's warranty as a base. (2-CI-6A-12)
    - a. Return policies are based off a percentage of the order cost and where the product is in the manufacturing process.
    - b. Percentage of the order cost is determined by yearly sales/cost of materials of the product being returned.
  5. VCE has weekly Quality Improvement Solutions (QIS) meetings to discuss product and service issues. (2-CI-6F-3)
    - a. All issues are documented and addressed weekly until they are resolved.
    - b. Changes to VCE processes are reviewed and implemented to avoid repeat issues.
- F. Performance measures utilized for VCE industries establish benchmarks similar to operations in other

correctional industries and in the private sector and include profitability, production downtime, past due jobs, and rate of return. The performance measures are indicators of fiscal viability, plant productivity, quality, and customer satisfaction. (2-CI-6F-2)

## VII. VCE Relationship with Host Facilities

- A. In accordance with Operating Procedure 010.1, *Virginia Department of Corrections Administration*, the Facility Unit Head is in charge of all inmates, personnel, volunteers, programs, and activities connected with the facility. (2-CI-6B-1)
- B. The VCE Plant Manager or Industry Group Manager for each plant/industry meets regularly with the Facility Unit Head in staff meetings to cultivate and maintain good working relationship and communication with the facility. (2-CI-6B-1)
- C. The VCE Plant Manager is responsible for the day-to-day operations inside the plant, including:
  1. Managing VCE staff
  2. Managing inmate workers
  3. Scheduling production
  4. Managing flow of raw materials, supplies, and finished products
  5. Working with facility staff to ensure compliance with facility safety and security requirements (2-CI-2A-1)
  6. Maintaining open communications with facility staff regarding the inmate workforce, operating schedules, logistics, and other matters of mutual concern.
- D. The Facility Unit Head and facility staff are responsible for providing necessary support to VCE operations, including:
  1. Providing an adequate number of inmate workers with the appropriate skills within the limits of the available population.
  2. Providing security staff to control the flow of contraband between the VCE operation and the facility.
  3. Ensuring that disruption to VCE operations as the result of facility security practices is minimized without compromising security. (2-CI-6B-2)
  4. Ensuring that the number and duration of workday interruptions of inmates due to facility operations are minimized. (2-CI-4A-6)
- E. Operating Procedure 102.6, *Staff Orientation*; Operating Procedure 027.1, *Volunteer and Internship Programs*; Operating Procedure 445.1, *Employee, Visitor, and Inmate Searches*; and Operating Procedure 810.1, *Inmate Reception & Classification*, provide that VCE staff, volunteers, contractors, and inmates are made aware of contraband policies and procedures. (2-CI-2B-1)
- F. As best suits the facility operational schedule, VCE plants work either an 8-hour day 5 days a week or a 10-hour day 4 days a week schedule. (2-CI-4A-7)

## VIII. Inmate Workers

- A. VCE management and supervisory staff monitor plant operations to ensure the number of inmates assigned to industry operations and their duties are consistent with the actual, realistic workload needs of each industries operating unit. (5-ACI-7A-10; 2-CI-4A-3)
- B. Inmate participation in VCE is voluntary. (2-CI-5A-4)
  1. VCE plants provide notices of available jobs for posting in inmate housing areas listing the job duties and the closing date for inmate applications or requests for employment.
  2. DOC inmates may apply for open positions within VCE. The Work Program Assignment Reviewer



(Work PAR) will determine whether an inmate meets the security, medical, and educational requirements set by industries, security, and treatment staff to determine whether an inmate is eligible for VCE employment. (5-ACI-7A-09; 2-CI-2A-3)

3. VCE staff interviews the referred inmates to select the most qualified inmate workers.
4. After interviews are completed, VCE staff notifies the Work PAR to complete the classification process to assign the selected inmates to the VCE inmate workforce.

C. Inmate Training Programs (2-CI-4A-4)

1. VCE inmate workforce development programs lead to documented recognition of acquired skills and include registered apprentice, vendor certification, and industry certification programs.
2. Participants in Virginia Correctional Enterprises workforce development programs are assessed based on the participants' successful acquisition of stated program competencies.
3. VCE collaborates with Correctional Education and Career and Technical Education staff, as well as DOC Inmate Workforce Development staff, and DOC Reentry staff to provide an array of programming, education, and certificates to prepare VCE inmate workers for successful reentry. (2-CI-4A-5)

D. VCE staff will complete a written performance evaluation on each inmate worker once per quarter. (2-CI-4A-2)

1. The evaluation should be based on defined criteria related to the inmate's job duties and appropriate behaviors for the workplace.
2. The evaluation should be used to recognize the inmate's achievements as well as to identify areas where improvement is needed.
3. VCE staff should review the evaluation with the inmate with copies to be placed in the inmate's record and provided to the inmate.

IX. Community Relations

A. There is an ongoing process for communicating with business, labor and other community organizations. (2-CI-6B-3)

B. VCE actively identifies and implements activities that contribute to the community. (2-CI-6B-4)

## REFERENCES

COV §2.2-803, *Financial accounting and control*

COV §2.2-2905, *Certain officers and employees exempt from chapter*

COV §30-133, *Duties and powers generally*

COV §53.1-45, *Sale of prison goods and services; print shop*

COV §53.1-47, *Purchases by agencies, localities, and certain nonprofit organizations*

COV §53.1-54, *Charges and catalogue; annual estimates of requirements by departments, etc.*

Operating Procedure 010.1, *Virginia Department of Corrections Administration*

Operating Procedure 027.1, *Volunteer and Internship Programs*

Operating Procedure 102.2, *Recruitment, Selection and Appointment*

Operating Procedure 102.3, *Background Investigation Program*

Operating Procedure 102.6, *Staff Orientation*

Operating Procedure 135.1, *Standards of Conduct*

Operating Procedure 135.2, *Rules of Conduct Governing Employees Relationships with Offenders*





Operating Procedure 135.4, *Alcohol and Other Drug Testing*

Operating Procedure 145.2, *Employee Performance Management*

Operating Procedure 145.3, *Equal Employment Opportunity, Anti-Harassment, and Workplace Civility*

Operating Procedure 145.4, *Employee Grievances*

Operating Procedure 150.3, *Reasonable Accommodations*

Operating Procedure 175.2, *Layoffs and Reduction in Workforce*

Operating Procedure 445.1, *Employee, Visitor, and Inmate Searches*

Operating Procedure 810.1, *Inmate Reception & Classification*

*Virginia Personnel Act*

## **ATTACHMENTS**

Attachment 1, *Virginia Correctional Enterprises' Business Development Plan*

Attachment 2, *VCE Pricing*

## **FORM CITATIONS**

None

