
**CALIFORNIA VENDORS
POLICY COMMITTEE
(CVPC)**

**Meeting Minutes
May 18, 2006**

CALIFORNIA VENDORS POLICY COMMITTEE Meeting Minutes

Meeting commenced at 9:00 am, Thursday, May 18, 2006.
Location: Department of Transportation in Los Angeles, California

CELL PHONE CHECK

Chair Michael Hatch began the meeting by reiterating the rules of the meeting, including requesting that all cell phones be turned off during the meeting. He highly encourages participation from the attendees but because of time constraints, he requested that all comments be kept to the subject being discussed.

ROLL CALL

Chair Hatch called the meeting to order at 9:00 am. He began the meeting by taking a roll call of attendees. He also announced that there would be a special guest, Keith Miles from Debitex, Inc. Electronic Cash Systems, to give a presentation on this unique technology.

The meeting was in compliance with November 1995 Motion 95.212 disclosure requirements for delegates. There were ***nine (9) delegates*** in attendance which satisfied the requirements of a Quorum.

Delegates in Attendance

District	Delegate	Location
District 1	Tom Evans	Agnews Developmental Center and Main Processing Center (Post Office), San Jose. New Location: Hunter Liggett
District 2	Joe Murphy	Turlock Roadside Rest Area, Turlock, California.
District 4	Reese Griffith	Cal Pers in Sacramento.
District 5	Michael Hatch	Corcoran State Prison
District 6	Jeana Martin-Hanlon	California State Men's Prison in Lancaster, California

District	Delegate	Location
District 7	Harry Begian	Cal Trans Building, Los Angeles
District 8	Jack Bedikian	Bulk Mail Center – U.S. Post Office in Bell City, California
District 9	David Collins	California Rehabilitation Center in Norco, California
District 10	David Hanlon	Dave’s Snack Bar in Spawar (San Diego)
Absent		
District 3	Arthur Culbert <i>(no alternate present)</i>	Department of Rehabilitation

INTRODUCTION OF STAFF

John Westbrook – BEP Program Manager

Anthony “Tony” Candela - Deputy Director for the Specialized Services Division at the Department of Rehabilitation.

Janis Friesen - CVPC Executive Secretary

Staff from the LA Field Office:

Dave Norris

Mirabid Ali

Tim Cole

Arthur Gresham

Robin Simmons

Nicole Smith – CVPC Recording Secretary

INTRODUCTION OF GUESTS

Each guest introduced themselves.

- Michael Fields
- Elias Thomas
- Tom Cook
- John Friesen
- John Montague (for Robert Montague, a BEP vendor)
- Roy Harmon
- Michael Dowling
- Frank Maestas
- Jose Santoyo
- John Briggs
- Ricardo Green
- Naresh Balani
- Anthony Cooper
- Max Duarte
- Juan Aquilar

MINUTES – Recommended Action

Approve the minutes of the CVPC meeting held on March 15, 2006.

MOTION 2006.017. Moved that the committee accept the minutes of the March 15, 2006 California Vendors Policy Committee meeting and the Responses to the motions for the March 15, 2006 as distributed.

Moved: Delegate Griffith
Seconded: Delegate Martin-Hanlon
Absent: Delegate Culbert
Vote: Passed Unanimously

Reading of the CVPC Motions and BEP Responses of the March 15, 2006 Meeting.

The motions, DOR responses and action items from the previous CVPC meeting were read by Janis Friesen. **(See Section 1 – Motions from the March 15th Meeting along with DOR Responses)**

Chair Hatch asked for some clarification and status updates on several of the DOR responses to the motions passed during the March 15, 2006 meeting:

MOTION 2006.012. Moved that CVPC approves the Standards and Procedures recommendations on the DOR draft on Department of Defense Teaming Partners and that those recommendations be submitted Department of Rehabilitation.

Moved: Delegate Martin-Hanlon
Seconded: Delegate Begian
Vote: Passed Unanimously

Response: The Department has received the recommendations and will take them under advisement.

Status: John Westbrook stated that the draft of the proposed regulations is currently in the Legal Department awaiting review in June. Chair Hatch reiterated the CVPC's concerns regarding the historical work relationship with the Legal Department. He is hoping that the past is not repeated. Mr. Westbrook reassured the CVPC that Mr. Candela is closely following the progress of the Regulations.

MOTION 2006.013. Moved that CVPC supports Ron Long's endeavor to claim his facility that is do him by the Navy, which is the Fleet Anti-Submarine Warfare Center and we encourage DOR to pursue arbitration on his behalf.

Moved: Delegate Murphy
Seconded: Delegate Begian

Vote: Passed Unanimously

Response: The Department's Legal Section has this matter under review and a decision will be forthcoming.

Status: John Westbrook stated that although he was unable to comment on this case because of the existing attorney-client relationship, he knows the DOR and Legal is working on this particular case. Delegate Martin-Hanlon remarked that there will be a scheduled hearing on June 13th, 2006. The affected vendor Ron Long was recently awarded a new location.

Reading of Action Items from March 15, 2006 CVPC meeting.

Janis Friesen read the pending Action Items from the last CVPC meeting.

Action Item: 800 Telephone # for BEP/CVPC Business Updates

The DOR is researching the costs and feasibility of having this 800#. It was suggested that Janis Friesen would be the contact person responsible for updating the information on the message line.

Outcome /Next Steps : Chair Hatch gave some background behind the proposed 800# number. It would be another communication tool to disseminate information to vendors, especially those that do not have access to a computer. Vendors would be able to obtain current information regarding the BEP program, open locations, selection committees, locations awarded, upcoming CVPC meetings, etc.

The DOR has obtained a separate voicemail line for the CVPC to use. It has not been set up yet. The DOR advised that the 800# would not be cost effective. The CVPC did not get the costs of the 800# and its feasibility.

Delegate Begian suggested that the CVPC should explore paying for the telephone services out of the CVPC account similar to what the CVPC did with the CVPC website.

Action Item: Retirement Committee

Chair Hatch gained agreement from all the delegates to create a letter on behalf of the CVPC and follow-up with Director Campisi about her decision regarding the Retirement Committee and who she would like to see participate.

Outcome /Next Steps: Chair Hatch addressed later in his report.

Action Item: Vendor Loan Program

John Westbrook reported that Mr. Candela has been working with the Legal Department on the implementation of the **Vendor Loan Program**. The CVPC should follow-up with Mr. Candela on this issue. Delegate Hanlon researched and discussed this topic with his subcommittee and gave some recommendations on how the program should be administered.

Tony Candela, Deputy Director, Specialized Services Division, attended the meeting via conference call. Mr. Candela explained the intentions of the SB87 – Vendor Loan Program; \$100,000 was bequeathed for the sole purpose of providing vendors with funds to be used for purchasing for inventory. The law was passed to empower the DOR to implement and administer the program. Senator DeSoto sponsored the bill which was passed in 2001. The maximum loan amount to a vendor is \$10,000.

The implementation process of the loan program was stalled for several years. He reported that there are two alternatives to implement the program. The first choice which the DOR is pursuing is having a local bank administer the program. The bank would handle the entire application process, including the repayment options, determining vendor's eligibility, etc.

Mr. Candela has contacted Neal Albritton who is currently in charge of two other loan programs with the DOR. The American River Bank was highly recommended to oversee the program because of their past experience with other loan programs and because of their current relationship with the DOR. All information about the SB 87 loan program has been forwarded to the President of the bank. An appointment has been set up with the President of the bank and Mr. Candela expects that once every thing is in place, the program could start as early as a few months. The bank could give a more accurate timeline.

The other alternative is to actually have the law revised through the state legislature in an effort to make the law more specific and give the DOR more authority and flexibility to implement the law. This alternative can be a very lengthy and timely process with possible delays.

Action Item: CVPC Letter in Support of a Vendor
Delegate Murphy highly recommended drafting a letter to the DOR on behalf of the CVPC in support of and advocate on behalf of Ron Long and his situation. Perhaps showing CVPC support would influence the DOR to pursue the case. Delegate Martin-Hanlon will draft a letter on behalf of the CVPC and submit it to the next CVPC.
Outcome /Next Steps: Delegate Martin-Hanlon addressed in her report, "Grievances".

Action Item: Grievances
Mr. Westbrook will from this point forward fax all incoming grievances to Delegate Martin-Hanlon.
Outcome /Next Steps: Delegate Martin-Hanlon addressed in her report, "Grievances".

Action Item: East End Project
Mr. Westbrook will have a position on the East End Project and will communicate the decision to all BEP vendors in the next several weeks.
Outcome /Next Steps: Mr. Candela confirmed that the DOR has a set plan for the East End Project. He cannot comment any further or give specific details on the East End Project because of the "delicacy" of the issue. There are several grievances pending a response from the DOR, with two scheduled for full evidentiary hearings. Both are scheduled for the end of May and early June.
Chair Hatch expressed his concerns regarding the other 10 grievances filed that never received a full response from the DOR. The standard response to these grievances was, "the case is pending; it is being worked on". Mr. Westbrook added that when the grievances are resolved in the evidentiary hearings, the other grievances filed will also be addressed in more detail with the actual DOR decision and resolution.
Michael Fields expressed his observations that since he has been a vendor, "it seems like Mr. Rompal has been treated differently in regards to these kinds of situations." He remarked that during these situations, the perception is that Regulations are not closely followed whenever a situation involves Frank Rompal.
John Friesen also reiterated some of the concerns expressed by vendors about potentially losing their "due process" which is protected by the grievance system. He recalled a similar situation in the 80's where grievances were filed but were not

appropriately responded to.

Mr. Candela assured everyone that the DOR has a set plan in place to deal with the issue and the Regulations will be closely followed. A decision will be made on behalf of the DOR after second evidentiary hearing, scheduled for early June. Once the hearings are resolved, the DOR will respond to all filed grievances appropriately.

Action Item: Delinquent Accounts

John Westbrook was cautious about supplying a list of vendors who were delinquent in paying their fees but he will place in his quarterly report the percentage of delinquent accounts.

Outcome /Next Steps: John Westbrook will place the **percentage** of delinquent accounts in his next quarterly newsletter. He will not place the names of vendors in the report. He will get this report out as soon as possible.

Action Item: CVPC Insurance

Jeff Dierks will forward the following information to John Westbrook – (1) The number of vendors that are currently late on their payments and (2) how many are contributing to liability insurance.

Outcome /Next Steps: Mr. Westbrook will follow-up with Jeff Dierks to obtain the information and will forward it to Janis Friesen.

Action Item: Insurance

Chair Hatch highly recommended that John Westbrook contact the Chair of QLDC, Delegate Evans of any decisions regarding locations that are being developed and/or outsourced to an outside contractor. This would ensure that the CVPC is “kept in the loop” of such decisions and projects.

Outcome /Next Steps: It was noted that the DOR is mandated by law to include the CVPC on such matters. Chair Hatch remarked that the CVPC should be included in most of the matters concerning facility and location development. QLDC is the point of contact for these matters. Consulting with the QLDC would help ensure that the CVPC has “active participation” when developing policy and procedures for the program. Keeping the CVPC involved could prove beneficial in building and developing quality locations for vendors. Chair Hatch mentioned some examples of locations that were recently placed for bid for vendors but are being questioned because of their quality and viability for a vendor to sustain. The CVPC would like to be part of the decision-making process.

Mr. Candela recognized the need for communication between the CVPC and the DOR. Mrs. Friesen is the essential link between the DOR and the CVPC and all pertinent information should be given to her to distribute to the CVPC for review. It is critical that the lines of communication between the CVPC and DOR are open. He gave his commitment to the CVPC in terms of communication and involvement in DOR matters pertaining to the BEP.

John Westbrook committed to consulting the CVPC on location development matters. He hopes to have the position, previously held by Jeff Garcia, filled shortly, and that person will be responsible for working closely with the head of QLDC, Delegate Evans on conducting site visitations, location development and finding new business.

Action Item: Information about BEP locations - Report

John Westbrook knows who generates this report and will ask the person (Elizabeth) to forward the report to CVPC. Mr. Westbrook will look further into this particular section of the WI code 19.640 and report back to the CVPC. He will ensure that a listing of state and federal properties that either already has or could support vending services (or a BEP facility) is sent to the QLDC subcommittee.

Outcome /Next Steps: Mr. Westbrook will follow-up with the department responsible for generating this report. It is available. The person replacing Jeff Garcia will be responsible for communicating this information to the CVPC. Mr. Westbrook will forward a copy to Janis Friesen to distribute to the CVPC.

Both Chair Hatch and Delegate Begian questioned the accuracy of the location announcements, particularly the building population statistics. Mr. Westbrook highly recommended that interested vendors should not only visit the location but also meet with building management and ask more in depth questions regarding the location. He also noted that the location information is generated from the SBECs and is submitted to either Steve Miller and John Westbrook for review before being placed in the location announcements.

A vendor in the audience, Michael Dowling, commented on a recent site visitation of a location and after questioning the building management, he realized a large discrepancy in the actual building population data from what was disclosed in the location announcement. He mentioned that vendors are depending on those numbers to determine the viability of a location. It can potentially hurt financially a vendor in the long term if there is a large discrepancy in statistical information.

Action Item: Pension Plan / Retirement Committee

Nomination process plan for the retirement committee.

Outcome /Next Steps: Mr. Candela gave an update to the Director's plans on the retirement committee. There is a commitment from the Director to implement a procedure as soon as possible. Mr. Candela envisioned that there would be a three person committee, one person from the CVPC and two from the outside vendor community. There will also be four DOR staff members seated on the committee which is mandatory.

He found a sample application that was developed by the CVPC which is being reviewed by the Legal Department. A notification would be sent out to all vendors requesting interested vendors to submit an application. Each application would be reviewed and the Director would select the most qualified individuals. She will then appoint two members to the Pension Plan Committee.

The recommended term on the retirement committee would be 4 years. Some delegates felt the CVPC seat should only be for 2 years which would be consistent with the CVPC term limitation. Delegate Begian mentioned that the CVPC recommended a 4 year term initially for consistency and planning purposes.

Action Item: Mr. Candela will follow up with the Legal Department about what is the plan for replacing and/or removing committee members and will submit more information about Pension Plan term limitations at the next CVPC meeting.

Action Item: Location Announcements

Because having a business plan is not required, Mr. Westbrook will delete the word "shall" from the statement requiring vendors to have a business plan.

Outcome /Next Steps: Action item completed. Mr. Westbrook deleted the word "shall" from the location announcements requiring vendors to have a business plan. He reiterated that it is highly recommended that vendors some written plan or guide for their businesses.

Action Item: Collection of Commissions

John Westbrook will give Delegate Evans, the chair of the QLDC subcommittee, information regarding the company in Florida that specializes in collecting vending machine income, including any next steps.

Outcome /Next Steps: Mr. Westbrook reported that a conference call was held between himself, Jeff Stubbins and Mr. Candela on May 16th. John Westbrook indicated that it would be a strong possibility that the DOR would work with this company because of their experience with working with other states. He has been successful in collecting vending machine income in both the public and private sector particularly for school systems.

Mr. Stubbins' primary responsibility would be to audit all records and payments. After analyzing the data, he would start making contact, either by letter or direct contact, with the different contractors and locations that owe commissions to the DOR. He would develop regular audit reports and would provide this data to the DOR so that the DOR could ensure on time, future payments.

His fee is up to 40% of what he has able to retrieve in owed commissions. Mr. Candela commented that the legal obstacle that will probably be faced is the fee for the collection services. It is a one time commission payment. He is still supporting the project for the collection of lost commissions and believes there is an urgent need for this effort.

The company, if retained, would audit exiting accounts. The company would not be retained to find new opportunities or audit new accounts.

Action Item: Mr. Westbrook will forward all the information obtained about this company to Delegate Evans for review. Mr. Candela will investigate further on Delegate Hanlon's comment regarding CVPC's right and ability to procure and retain professional services to conduct activities such as the collection of unpaid commission payments.

Action Item: CVPC Actions Items for Mr. Westbrook

Delegate Begian also suggested giving John Westbrook a list of CVPC action items and requests before each scheduled meeting so he can research, prepare and bring the needed information and/or documentation to present.

Outcome /Next Steps: Janis Friesen reported that the action items were given to Mr. Westbrook and Mr. Candela for review. The meeting minutes were delayed after the last CVPC meeting. The CVPC will continue to give the action items to all parties involved in advance of the each scheduled CVPC meeting.

EXECUTIVE OFFICERS REPORTS

Report of the Chair

Chair Hatch gave a brief report on some of the projects that he is working on.

- ◆ **Administrative Costs:** Chair Hatch sent an email to Mr. Westbrook questioning some of the administrative charges being deducted from the set-aside fund. Charges have ranged from approximately \$30,000 up to \$174,000. Mr. Westbrook spoke with the Accounting Department about the different expenditures being deducted and was told that “the pro-rata charge is the share of the central service agency’s administrative costs which comes from the State Controller and State Treasurer. They determine what the charges are going to be and it is calculated every year.”

The Department of Finance had **denied** the DOR’s request for a deferral in order to prevent future deductions from the set-aside fund.

- ◆ **CVPC Budget:** Chair Hatch and Mrs. Friesen will meet with the Accounting Department on May 31st to initiate putting together the CVPC budget. There were some discrepancies in the last fiscal year with travel and other expenses which caused the CVPC to exceed its budget. All departments and special committee groups are required to have a budget in place for the following fiscal year.

BLT (BEP Leadership Team) Meeting: As Chair of the CVPC, Chair Hatch was invited to attend the BLT bi-monthly meetings. The BLT was a special group created from the 2000 BEP

Strategic Plan. The group consists of the Director, Program Manager, Assistant Program Manager and BEP and other DOR staff members. Chair Hatch noticed that the group or the purpose of the group may have evolved into something different. Mr. Westbrook agreed and suggested that the original purpose of the group should be revisited. The concept has now evolved into the Program Manager's staff meetings which addresses and tries to find solutions to challenges experienced within the BEP program.

Chair Hatch reported that the next Executive Committee with the Director is scheduled for May 31st. Chair Hatch indicated that the Executive Committee does not take a position without the CVPC's approval. Delegate Begian recommended that the Executive Committee continues to ask the other CVPC delegates for any input, comments or additional agenda items before meeting with the Director. Any escalated issues discussed in the CVPC meetings are followed up in the Executive Committee meeting with the Director. All decisions are communicated to the members of the CVPC. Delegate Hanlon and John Friesen added that the Standard and Procedures subcommittee is currently working on revisions and additions to the Bylaws and there is specific language to the role and responsibilities of the Executive Committee.

Report of the Vice Chair

Delegate Hanlon gave a brief report on the Blind Advisory Council (BAC) meeting that he attended. The BAC reviewed some statistical data about the DOR's customers and clients. Both John Westbrook and Tony Candela gave some background information on the BEP program. Delegate Hanlon will continue to communicate the progress of the CVPC.

Chair Hatch confirmed that he receives the BAC meeting minutes

Report of the Secretary-Treasurer

Delegate Griffith recently spoke with Paul Patche about transferring the funds to another account. He will give a more accurate account balance to Janis Friesen but believes there is approximately \$8K in the account. Members of the Executive Committee, Chair Hatch, Delegate Griffith and Delegate Hanlon will be on the account.

EXECUTIVE SECRETARY'S REPORT— Janis Friesen

Travel Claims: Janis Friesen reported that the fiscal year for the DOR will be ending in June. Because the fiscal year is ending, she reminded all delegates to submit their outstanding travel claims and other CVPC related expenses. Payment could be delayed if there are any problems with the state budget. To date, the CVPC has spent a total of \$5108 in travel expenses.

Submitting the outstanding claims will also help in planning and creating the CVPC budget for the next fiscal year. Mr. Candela reminded the CVPC that all departments are being asked to create a budget, itemize and watch expenses and closely adhere to the budget submitted. Although there is funds set aside for conducting CVPC business, he cautioned to be as cost effective as possible because of the uncertainty of the state's and DOR's budget. His goal is to create a smoother and more accurate budgeting and reporting process.

Delegate Hanlon added that the CVPC's expenses are matched using federal funds and are not necessarily subject to the same budget policies. Mr. Candela agreed but noted that all departments and special committees are being advised to create a budget to their best "guesstimate". He clarified that the CVPC should continue doing their business as necessary and not to react negatively when they receive the finalized budget report.

CVPC Message Board: She also requested that the delegates revisit the CVPC website particularly the Message Board. She wanted to get the delegates feedback on the website and whether or not the message board is useful or serving its purpose. She wanted to see if the vendor community knows about the message board and if they are finding it useful. Currently, there are only a few vendors posting information on a regular basis.

Action Item: Chair Hatch will send out another letter to all BEP vendors reminding them of the CVPC website and urging them to visit the CVPC message board. It could be a useful tool to obtain updated information, commentaries and to communicate with other colleagues.

Motions: Mrs. Friesen also reminded the delegates that due to time constraints and work load, it would be extremely beneficial to have the motions generated from their subcommittee meetings already created and written before the CVPC meetings.

Chair Hatch thanked the guests for their participation and attendance at the CVPC meeting in Los Angeles. Changing the venue of the meeting was a successful strategy; it was a great effort to increase vendor participation and interest in the CVPC meetings.

CASHLESS DEBIT SYSTEMS

Chair Hatch introduced the two guest presenters from Debittek, Keith Miles and Brian Kennedy.

Keith Miles is the Western Regional Manager for Debittek. Brian Kennedy is the main distributor for Debittek and his team is responsible for all the sales, service, training and implementation of Debittek's equipment. His technical group is located in Irvine.

- **Background:** Debittek began in the prison system in 1988. It was an approach to help reduce contraband, coercion and gambling in the prison. When a visitor goes to visit a prisoner, they usually check in all of their belongings before entering the visiting room. The visitor is given a vending card that can either be dispensed through an automatic dispenser or it can be given out by an officer. The card can either have no money on it or it can have a predetermined value that they buy beforehand. They can add value to the card via the cashless card system. They can add money to the card in terms of \$5, \$10 and \$20. Some facilities allow inmates to use their cards in the visiting rooms.
- **Advantages:** The prison administration likes the cashless system because it prevents "hoarding" of food items among inmates. In the federal system, each inmate has a prison badge with their picture and inmate number. On the back of the card is a "debittek stripe" which the prison revalues for the inmate out of the inmate's account. The officers can utilize this system in their meal plan, shoe shine, dry cleaning, etc. The system is set up to be virtually cashless.

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- **How it works:** Each vending machine has a card reader installed in it. The card stores the money on it. The money is loaded via a cash box. There is no server or wiring involved.

There are vending machines that can distribute the cashless cards. The vending machine can also give credit on the card. There are boxes called a “cash card box” that contains a bill acceptor, a card reader and a dispenser.

In other environments, other than the prison system, a vendor can have a vending machine set up to take three forms of payment – bills, coins or card.

One system a vendor can have, especially in the prison system, is having a stored value already on the card. In this environment, this system is ideal because there is no wiring involved. Getting wires and tools in the prison can be very difficult. There is a special box that can dispense cards with a predetermined amount. It is often located near or in the visiting area where visitors can reload the card. The box can hold up to 300 cards depending upon the type of box that is used. The vendor would have to determine the amounts of the cards initially. For example, the vendor may choose to sell \$5.00 cards. The visitor purchases the card initially for \$5.00 and then can then put the card back in to add an additional \$20.00.

- **Closed Environments:** The cashless system works well in the university system also. A student can use their card to pay for food items from vending machines. The card can also be linked to washers and dryers, POS cash registers and printing/copying machines.
- **Credit Cards:** There are machines that accept credit cards. However the disadvantage is that there will be monthly charges associated with taken credit cards. The vendor would be charged for the credit card transaction. The fees could be costly. Fees could add up to \$15-30 per machine just for accepting credit card payments. A telephone line would also have to be installed in the machine.
- **Costs:** Depending on the type of card reader, they range from \$575 and up. The box dispensers can cost from \$3000 and up.

An additional benefit to having this equipment is that the vendor would not be adding up coins but would be counting dollars.

- **Credit on the card:** Each vendor would have their own “site code”. If there is money left on the card, a person cannot use the card elsewhere but only where they bought the card from. If a vendor has multiple locations, the vendor can use the same site code in different locations allowing the card to be used at the various sites.
- **Disclaimers:** Vendors can place disclaimers on the back of the cards such as “not as responsible for lost or stolen cards”, “card is not refundable” or even an expiration date. A vendor can place a limit on the amount on the cards. For example, a vendor can place a maximum limit of \$30 on the card.
- **Warranty:** There is a 1 year warranty on all equipment. Debitex normally does not rent equipment. All equipment is sold and belongs solely to the vendors.
- **Service and Training:** The contract includes full training for the vendor and staff. Training is a 1-2 day commitment. A service call is responded to within 2-3 days. There is a fast turnaround on equipment repairs and is usually shipped out to the vendor via UPS within 3 days. A service call is \$65 per hour if a technician has to come out to a vendor’s location for on-site repairs.
- **Security:** The “Smart Card” has special, newer technology that is built into the card that detects certain “engineering light”. There are encrypted keys that are 16 digits long on the card and there is a logarithm that has to match before any transaction occurs. The vendor would have to select a security pin code that goes on every single card. If the reader does not detect the code, no transaction will take place. The Smart Card is more expensive than the Mag Card. The Smart Card is \$2.00 per card vs. \$0.50 for each Mag card.

In a closed environment such as a university or prison system, Mr. Miles and Mr. Kennedy highly recommend using the “Mag Card”.

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- **Gift Cards:** These cards could also be used as gift cards for employees or students and can be set up to be used at the cash register for purchases, vending machines, copier services, etc.
 - **Return on Investment:** Depending on the environment and the demographics of the location, a vendor would most likely experience an increase in revenue in a closed environment such as in a prison or university system. They have seen an increase in revenue of about 25% in some locations. However, there are some instances where vendors may experienced a decrease in revenue. Mr. Miles cautioned that a vendor must invest in this system for the right reasons.

Because the “Smart Cards” are a newer technology, there is less service calls. If a reader does need repair, the company will replace the equipment temporarily with a refurbished reader so that the vendor experiences little disruption in business and service.

It is highly recommended that the vendor consults with Debitex to ensure the right system and equipment options are appropriate for their particular environment.

- **Competition:** Mr. Miles described the systems from other companies as “good” machines that are simple to use. The Debitex system offers more flexibility and control for the vendor. Debitex is usually the best option because they tend stay on top of technology. Because Debitex tends to stay abreast of the newer technology available, a vendor would be able to grow and upgrade their system with relative ease.
- **Contact information:** Keith Miles can be contacted at 702-562-0116

COMMITTEE REPORTS

GRIEVANCE—Delegate Martin-Hanlon

John Westbrook reported that he had not received any new grievances since the last meeting.

Evidentiary Hearings. Delegate Martin-Hanlon reported that the evidentiary hearings, in response to the two grievances filed regarding the East End BEP location, will be held on May 31st and June 5th. Mr. Candela will communicate the decisions and outcomes from both hearings.

The evidentiary hearing regarding the grievance filed by Ron Long against the Anti-Sub Naval Base for the terminated contract will be held on June 13th.

BUDGET AND FINANCE—Delegate Collins

A. Status Report on BEP Budget Information

Delegate Collins requested a short training on DOR budgeting and accounting procedures for himself and his subcommittee members.

Steve Miller defined which expenses were considered eligible for federally matched funds. Mr. Miller also defined what encumbrances were and which expenses were set aside in the budget. He also reported that there is \$1.6 million budgeted for this fiscal year for equipment repairs but only less than a \$1 million has actually been spent. These encumbrances cannot be used for any other purpose even if there is a budget “freeze” or other constraints. There are restrictions to the use of encumbrance funds; however, the DOR has the ability to “disencumber” the funds if there is an excess amount.

Action Item: Steve Miller offered to give Delegate Collins a list of expenses or items that are considered non-matchable.

As part of his action plans for his subcommittee this term, Delegate Collins wanted to know what his committee could do to help alleviate some of the issues or challenges with

equipment repairs and replacements. Chair Hatch reminded vendors that the best way to correct the challenges is by documenting each and every incident and forwarding the information to their BEC or John Westbrook. If the complaints are documented and filed, the program would need to respond to these issues and they would have to be address in the next service contract.

Action Item: Mr. Hanlon suggested to Delegate Collins to request a copy of the financial information report and a listing of expenditures pertaining to the set-aside fund. The subcommittee could review this information. John Westbrook could supply this information. This information was submitted in the past to the CVPC on a quarterly basis.

Action Item: Delegate Hanlon suggested to Delegate Collins and his subcommittee in writing a letter to the Program Manager indicating the justification for taking funds from the set-aside account to pay for administrative, pro-rata expenses. He feels the CVPC should be given an explanation of why these expenses are being deducted from the set-aside fund.

STANDARDS AND PROCEDURES— Delegate Hanlon

A. Status of SB87 – Vendor Loan Program

Addressed earlier in the meeting under the discussion of “**Action Items from the March 15th Meeting.**”

B. Status on Regulations re: DOD

The DOD draft is still waiting review in the Legal Department. Chair Hatch responded that there needs to be some communication or expected time frame given of when the DOD draft would be reviewed. He is already witnessing the same issues from the past hindering the process of getting the regulations completed.

C. Report on Letter from John Westbrook re: Secondary Locations

Mr. Westbrook remarked that the term, "Secondary Locations" has been officially deleted. He confirmed that any interim locations are to be only for 6 months.

Janis Friesen read the letter dated March 14th written by John Westbrook to Delegate David Hanlon:

"Dear David,

This letter is in response to your letter regarding secondary facilities. I had a staff person investigate those facilities that are currently labeled as "secondary" to find out why they had been labeled as such. For some time now, we have not used the term secondary when assigning a facility, the one exception being the East End Complex and that was admittedly a mistake as it should have been labeled "interim".

There are approximately six facilities labeled "secondary" and all with the exception of the before mentioned mistake are marginal facilities. It appears that this was how marginal facilities for which there were no applicants were assigned to vendors in the past.

Now we have a different mechanism for this. After a facility is circulated with no one interested in taking it as a primary, vendors can add it to their business enterprises.

I could not find clear legal basis for assigning secondary facilities, therefore it behooves us to remove this labeling from BEP facilities. Therefore, we will proceed to combine those facilities that were marginal and circulate it with no takers in the past to the primary facility of the vendor to which they are assigned. It will be our goal to eliminate the secondary labeling on all locations within the next two months.

Sincerely,

John Westbrook”

Action Item: Mr. Westbrook responded that the transition of all secondary location will be completed by the end of the month, May.

Mr. Westbrook reported that the East End BEP location will be changed to an interim location. It will no longer be listed as a secondary location. He is not sure of the outcome of the evidentiary hearings or the decisions that will be made on the East End Complex.

The CVPC should be involved in the decision-making process to see if these locations can be additional opportunities for vendors to add to their existing business enterprises. If the CVPC/QLDC is involved, there could be other alternative solutions on how to handle these types of locations. Mr. Westbrook responded that his goal is for all locations in the program to be profitable for vendors. The BEP reviews all options before closing a facility or subcontracting the facility to an outside, private sector company. Mr. Westbrook would welcome the CVPC’s involvement in the decision making process about BEP locations.

Mr. Westbrook commented that some times building management insists on having a vendor on-site providing the service but there are instances where the DOR is unable to make or develop the location to be profitable for a vendor. Sometimes the DOR has to make some hard decisions regarding locations, and in certain situations it is better to receive commissions or payments for use of the equipment. It is another alternative to closing a location. There may be other options to keep the facility and therefore maintain BEP priority. He also advised the CVPC not to always insist on keeping a location or bid a location out to a vendor.

Action Item: Chair Hatch recommended that the QLDC research the possibility of the program receiving commissions from other types of facilities (snack bar, wet stand, cafeteria, etc.) other than from vending machines.

Delegate Griffith mentioned that in the past, the program has received subsidies from other food services.

D. CVPC Bylaws revisions

Delegate Hanlon will facilitate a subcommittee meeting on May 31st. Updating the CVPC Bylaws will be revisited and discussed. Part of the subcommittee's responsibility will be to ensure the Bylaws are in adherence to the Bagley-Keene Act. John Friesen has taken the lead on this project.

Delegate Begian also recommended the need to incorporate plans of action for each subcommittee in the Bylaws. The subcommittee will work on establishing agenda and priority items for each subcommittee.

Continued work on the Regulations has been placed on hold until there is a definite response from the Legal Department on the DOD regulations. Mr. Westbrook reported that the DOR has begun working on the next section of the Regulation pertaining to Selection Committees. Mr. Westbrook will forward this section to the CVPC for additional comments when completed.

E. Motion re: Time Limit for response to recommendation from CVPC to DOR for DOD regulations

Delegate Hanlon initiated this motion in an effort to create accountability for all parties involved in this project for completing the Regulations. In the past, there have been many reasons for the lack of response from the Legal Department for the inability to review the Regulations. Delegate Hanlon along with several other vendors believe the Regulations have been "placed on hold for too long". The objective of this motion is to initiate some communication between all parties involved and establish expectations and timelines. If there is no response within a certain time frame from the Legal Department or the DOR, Delegate Hanlon stated that he would take it to the next level, including filing a grievance.

Delegate Murphy agreed that since the DOR has had the CVPC's revisions to the Regulations since March 15th, the

30-day time limitation for a response should be sufficient. Chair Hatch agreed with the time limitation and also added that he heard the DOR agreed with and accepted the CVPC recommendations. Although this agreement was verbal, it still needs to be confirmed and placed in writing.

Mr. Westbrook reiterated that the Legal Department is handling many issues not only for BEP and the CVPC but for the entire DOR. Chair Hatch responded that the standard reply “we are working on it” is not acceptable anymore.

MOTION 2006.019. Moved that CVPC request a written response for to the CVPC’s recommendations for the DOR’s Draft “Roles and responsibilities of BEP, Vendors and Contractors in the Operation of Vending Facilities on Military Installations”. On March 15, 2006 the BEP Program Manager was given a copy of the Committee’s recommendations. In the vein of co-operation and good faith CVPC believes it is necessary for the department to share a preliminary draft of the proposed regulatory language within 30 days of receipt of this motion.

In the event CVPC does not receive a draft or a reasonable written response issuing an appropriate timeframes for DOD regulatory languages; CVPC hereby gives the Executive Committee members the authority for whatever action necessary to promote this completion, including the filing of grievances if necessary.

Moved: Delegate Hanlon
Seconded: Delegate Murphy
Absent: Delegate Culbert
Vote: Passed Unanimously

F. Motion re: time limit for response to recommendation from CVPC to DOR for SB 87 – Vendor Loan Program. (Recommended Action)

A major concern for some of the delegates is the slow action on behalf of the DOR in regards to implementing this program. Earlier in the meeting, Mr. Candela gave a status

report on the execution of this loan program in which the first steps have been placed into action.

There was some discussion regarding the time frame for a response which was extended from 30 to 45 days. The delegates agreed that 45 days should be sufficient time for the DOR to respond. The motion was revised and passed unanimously.

MOTION 2006.018. Moved that CVPC request a written response for to the CVPC's recommendations for SB 87 Vendor Loan Program. On March 15, 2006 the BEP Program Manager was given a copy of the Committee's report. In the vein of co-operation and good faith CVPC believes it is necessary for the department to share the proposed loan plan within 30 days of receipt of this motion.

In the event CVPC does not receive a draft or a reasonable written response issuing an appropriate timeframes for; CVPC hereby gives the Executive Committee members the authority for whatever action necessary to promote this completion, including the filing of grievances if necessary.

Re-read with Friendly Amendment:

MOTION 2006.018. Moved that CVPC request a written response for to the CVPC's recommendations for SB 87 Vendor Loan Program. On March 15, 2006 the BEP Program Manager was given a copy of the Committee's report. In the vein of co-operation and good faith CVPC believes it is necessary for the department to share the proposed loan plan within 45 days of receipt of this motion.

In the event CVPC does not receive a draft or a reasonable written response issuing an appropriate timeframes for; CVPC hereby gives the Executive Committee members the authority for whatever action necessary to promote this completion, including the filing of grievances if necessary.

Moved: Delegate Hanlon
Seconded: Delegate Martin-Hanlon
Absent: Delegate Culbert
Vote: Passed Unanimously

TRAINING/UPWARD MOBILITY — Delegate Murphy

A. Status of new licensee questionnaire

Delegate Murphy reported that the DOR responded to the questionnaire and they believed that the process is being adequately done. The subcommittee reviewed the letter and was disappointed by the tenure of the letter. The subcommittee feels the exit interview is not being performed by the DOR. Delegate Murphy reported that there are two recent graduates of the training program on his subcommittee who have not yet been contacted for an exit interview or follow-up.

The subcommittee decided not to pursue the exit interview program but will continue to make recommendations on improving the training program. One of the concerns discussed in the meeting was “why there is only one training session conducted throughout the state”. Mr. Westbrook remarked that there has been budget issues with the DOR which has governed the amount of training sessions, number of instructors, etc. Relocation, travel, and living expenses were evaluated and the DOR decided to have one training session per year.

Chair Hatch questioned the amount of training spent on vending machines and whether it is sufficient. He also inquired about the regulatory checks on the quality of the training program. Mr. Westbrook remarked that the training curriculum is submitted to him for review each year.

As an advisory committee, Delegate Begian commented that the CVPC should be more involved in the administration of the training program because it directly affects the program as a whole. The CVPC has the responsibility to make sure it is giving the best advice to the DOR, including training, policy, program development, etc. He questioned “how can the training subcommittee advise the DOR if they are not allowed to question and inquire about the quality of the training program”. He also felt that

there have been instances where a vendor was able to past the selection committee but lack the expertise to successfully operate a full facility.

John Westbrook read his letter to the CVPC training subcommittee.

The DOR thanked the members of the subcommittee because the work done contributes tremendously to the success of the training program which states an over 80% success rate.

“After some discussion and reflection among management and staff, it is generally felt that the goals of the exit interview are already being met for the most part by the procedures that are currently in effect. It is felt that exit interviews, whether for the purpose of gathering feedback on the quality or techniques used by the BEP training or the training officer, should be done by BEP administration. It should be noted that experience has shown the value of training received by the vendor could not be accurately evaluated until he or she has been operating a facility for three to six months. Therefore, we propose to use these questions merely as conducted by BEP staff after the class graduates in May and then again after the licensee has operated his or her facility for three to six months. We will share the results with the training subcommittee.

I will like to also point out that the review of the vendor training and curriculum has always been available to the training subcommittee and, in fact, the subcommittee is encourage to monitor the training class and into our curriculum at any time, including interviewing the students. The BEP training officer is available to help new and existing vendors at any time. The questions and issues raised add value to the development of the training curriculum. Trainees also have access to the management at any time to discuss any issue and may have a CVPC representative present ” – John Westbrook.

The training subcommittee’s initial reaction to the letter was that the DOR was trying to eliminate the CVPC from the

development process by emphasizing that the process is already being done, that the exit interview will be done by DOR staff and that the BEP will share the results of the exit interview with the CVPC. The letter was received as if someone was threatened by the subcommittee's involvement in the training program; subcommittee members did not understand the resistance expressed by the DOR.

Also the subcommittee had some concerns regarding how the final examination is administered. The same person not only creates the exams but also grades them. Although not substantiated, the perception among some vendors was that although some trainees had failed most of the mid-terms during the training, they somehow passed the final examination. One of the concerns of the subcommittee was that the training department may not be aware of new vendors that are not adequately prepared to succeed in the field.

Delegate Murphy will continue to attend the training classes and interact with the trainees. Mr. Westbrook had no issues with the subcommittee conducting its own exit interview with the graduates. The subcommittee is welcomed to participate in the exit interview conducted by DOR staff. The exit interview would be a starting point for the subcommittee to begin making suggestions; its main goal is help make the vendor training even better.

B. Goals for subcommittee

Delegate Murphy and his subcommittee are currently on prioritizing their goals for this term. Some of the items they are reviewing are:

- Visiting the BEP training class regularly; ensure the CVPC has a visible presence and the students know about the CVPC.
- Always have a detailed report at each CVPC meeting about the training class and give feedback on improving the program.

-
- Become more hands-on with the training program, including meeting with the instructor and students on a regular basis and conducting exit interviews.
 - Making recommendations and propose changes and improvements before the next class
 - Review the training curriculum before the next class starts.
 - Research ways to improve the OJT (On-the-Job Training) program.
 - Encourage a mentoring program for new vendors.

VENDOR BENEFITS AND REVENUE ENHANCEMENTS— Delegate Griffith

A. Discussion re: BEP Retirement

Delegate Griffith wrote a letter to Great West, the current administrator of the vendor retirement fund. Janis Friesen read the letter from Mr. Beetz, Regional Vice President from Great West.

“Dear Reece,

Thank you for your letter of April 5th and our telephone conversation of March 23rd. We at Great West very much want to retain and continue to work with the BEP plans though the Department of Rehabilitation. Your plans do have some great variable investment options that are way underutilized and we have already run a fund review to enhance them even more. You mentioned a survey in your letter. We would love to see the detailed results of that survey if available. We would like to see an option for the vendors to make deposits of their own into the plan but that may not be possible because of the unique structure of your plan. We are certainly open to discuss any and all options available to the vendors. The retirement plans are really govern by the plan documents that outline the terms and conditions of the plans. We would like to do another round of educational group meetings for the vendors this summer to better explain the plans if that is possible.

Feel free to contact me directly anytime if you have any additional questions or concern about BEP plans.”

Mrs. Friesen reported that bids to administer the BEP vendor retirement fund closed on May 17th at 2:00 pm. Great West was one of the four companies that submitted a bid for the contract. The DOR will review the bid responses over the next few weeks.

Delegate Griffith reported that the 457 plans are very restrictive and do not allow vendors to contribute to the plans. Delegate Murphy added that a great benefit to the 457 plan is that it allows a vendor the flexibility to open an IRA anywhere; however a vendor cannot have both plans simultaneously. You cannot deduct funds from the 457 account until retirement.

John Friesen recommended that the winner of the contract should be invited to Educational Conference in October. Mrs. Friesen confirmed that the contractor will be on the agenda.

Recommended Action

B. Motion re: BEP reporting on Worker’s Comp & Liability Insurance

Delegate Griffith reported that the administration of the vendor’s health insurance is contracted out to insurance brokers who try to find the best value, rates and insurance policies for the program.

The insurance rates for Worker’s Compensation have decreased because the program, as a whole, has had fewer claims. Liability insurance claims have decreased because there are only 30 cafeterias and 36 snack bars currently in the program.

Delegate Griffith opened the discussion regarding the “Slush fund” or high deductible liability insurance with a \$10K deductible.

MOTION 2006.020. Moved that to ensure active participation of the committee, CVPC is requesting the following information in a report to CVPC before each regularly scheduled meeting. In compliance with the open meeting act, this report needs to be to the committee members no less than 15 working days prior to each meeting. These reports shall show monthly totals for the current fiscal year. BEP will either use facility numbers or give each vendor a designation number by facility. The name of the reports and the content for the reports is as follows:

BEP Workers Compensation Program

- a. Facility premium payment delinquencies by vendors
- b. Loans made to vendors to pay past due premium payments
- c. List of vendors with loans, who have been allowed to apply for new facilities with a wavier given by the BEP Program Manager
- d. If wavier granted, percentage of loan paid off at time of wavier
- e. By facility any claims paid out
- f. List dollar amounts paid out by vendor for plan deductibles per claim

BEP Liability Insurance Plan

- a. Facility premium payment delinquencies by vendors
- b. Loans made to vendors to pay past due premium payments
- c. List of vendors with loans, who have been allowed to apply for new facilities with a wavier given by the BEP Program Manager
- d. If wavier granted, percentage of loan paid off at time of wavier
- e. By facility any claims paid out
- f. List dollar amounts paid out by vendor for plan deductibles per claim

These reports are not to replace any Program Manager's report.

Moved: Delegate Griffith
Seconded: Delegate Hanlon
Absent: Delegate Culbert
Vote: Passed Unanimously

Some delegates had some issues with placing actual names of vendors in this report. Most agreed that if the motion passed, the DOR in the end will decide whether or not to include this information.

QUALITY LOCATION DEVELOPMENT— Delegate Evans

Delegate Evans wrote a letter on behalf of his subcommittee to John Westbrook initiating a positive mutual relationship with the DOR.

“John Westbrook,

We know the desire and intent of BEP and CVPC is to truly be a model of success around the country and in the area of active participation. The subject as listed above includes active participation in reference to facilities and their future. This committee humbly requests that all facilities be reviewed with QLDC when a vendor leaves a location whether passing away, being relieved of duties, moving on to a better facility or career, retirement, etc. We request that a specific person and/or position within BEP contact the QLDC in a reasonable amount of time so as to make a fiscally responsible position on behalf of the of the tax payers and the vendor community. We feel that active participation is vital for the knowledge, health and future growth of our program. We would like a plan of how you envision our open communications at the May 18th CVPC meeting in Los Angeles.”

Mr. Westbrook envisions that once he retains and fills the open position needed on his team, the person will be required to communicate all facility changes to the QLDC. He sees no challenges in keeping the lines of communication open between the DOR and the QLDC. A large part of the selected candidate’s responsibility is to work closely with the CVPC on location development and for consultative matters on BEP facilities. The person will be responsible for facilitating selection committees also.

Chair Hatch requested that during the time the position is being filled, the CVPC will need to depend on Mr. Westbrook for information on location development. He noted that there will be major decisions made on behalf of the DOR that the CVPC would like have active participation. Mr. Westbrook stated that he will comply with the best of his abilities.

**A. Status report on SRRAs
(1) Priorities 1, 2 & 3**

Another letter was sent to Mr. Westbrook regarding Host Vending.

“Mr. Westbrook,

The CVPC and specifically the QLDC would like to engage in further understanding of the subject that was brought to our attention at the last CVPC meeting in Sacramento March 15th, 2006. The subject was the Host Vending RFP and the following roadside rest areas, Buckman Springs and Sunbeam. We, as a group of active participants, would like clarification on the following questions by May 18th in our CVPC meeting to be held in Los Angeles:

1. Please provide the analytical data and documents from BEP and QLDC that suggests these are not viable locations for licensed blind vendors.
2. What date is Host Vending starting and ending the contract?
3. Can the contract be broken?
4. Who built the kiosks?
5. Why is Caltrans receiving \$800 in relations to this contract?
6. This committee would like a continuous update on the finances reported at these two locations at every CVPC meeting.

Mr. Westbrook stated that although he did not have the information the QLDC requested above, he did confirm that there are no kiosks at these two roadside rest areas. One location with only 3 vending machines and has already begun operation. The vending machines are located against the wall. He stated that there is not much traffic at the Sunbeam location.

There were only two companies that bided on the contract and Host Vending was awarded the contract. Host Vending assumed the costs of the utilities. It is a two year contract and they are paying the BEP a commission which will be distributed into the vendors' retirement fund. They made a one-time payment of \$800 to Caltrans for facility remodeling which is not a normal practice for the BEP program. The BEP representative had made several visits to both locations and reported that it was not a viable location for a vendor.

Action Item: Mr. Westbrook will submit a copy to the QLDC the 3 page questionnaire/survey that was utilized when evaluating the two roadside rest areas. All locations are surveyed by a BEC or SBEC before placing them out to bid.

Mr. Westbrook reported that there are two roadside rest areas, Gold Run and Donner, that are currently in development and is expected to “break ground” in early spring of next year. The Gold Run roadside rest area is expected to be fully developed by late 2007 and will be available as a vending machine operation. There will be a kiosk at this location.

The BEP is looking into building enclosures for vending machines at different locations as an alternative to building expensive kiosks.

B. Status report on federal prison facilities

“On behalf of the vendor population QLDC would like to request and in stance in reference to our inclusion in federal prisons.

1. This committee actively requests a written response within 45 days, answers to the following questions. Why are California Blind Vendors not presently operating in California federal prisons in relation to food services and vending provided by our team of licensed professionals?
2. We also request a written report of monies being paid to our set aside funds from the previously list organizations since we are not presently operating them.”

Mr. Westbrook stated that his department plans to pursue federal prisons “very aggressively”. He has someone who is aggressive in pursuing and acquiring new business for the program. Each prison is pursued and negotiated individually.

The subcommittee had questions regarding the university state colleges.

“On behalf of the vendor population and QLDC, the following request is made of BEP in its stance in reference to our inclusion in college and universities.

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1. This committee actively requests a written response within 45 days. We would like answers to the following questions:
 - Why are the California Blind Vendors not presently operating any California school systems of advance learning such as universities and colleges in relations to food service and vending machines provided by our team of licensed professionals?
 2. We also request a written report of monies being paid into our set-aside funds from the previously listed organizations since we are not presently operating them.”

The subcommittee would like to see the documentation justifying why the BEP is not actively involved or operating in the state university system. Mr. Westbrook responded that this issue has been reviewed in the past and it was noted that BEP **does have priority** in the university system; however, an administrator within the university system has previously stated that if the program pursued its priority status, they (university/state colleges) would respond by changing state legislation to obtain an exemption. Both the CVPC and Legal Department decided not to pursue this issue in order to prevent jeopardizing future opportunities; other state agencies may follow suit to obtain an exemption from the BEP priority status. Mr. Westbrook confirmed that the university system is **not** paying commissions to the program, although they are not officially exempt.

Chair Hatch suggested that the QLDC revisit this issue further to have the above questions answered. Chair Hatch noted that the state prisons also threatened to pursue an exemption but the situation concluded being a great opportunity for the program and its vendors.

Delegate Hanlon highly recommended that Mr. Westbrook respond to every letter that the CVPC forwards to him as documentation of CVPC's efforts to work with the DOR and its commitment to active participation. He noted that all verbal responses made on behalf of the Program Manager will be recorded in the minutes.

C. Status report on California Youth Authority facilities

No report given due to time restrictions.

D. Report on San Diego Roadside Rest Areas

No report given due to time restrictions.

E. Motion re: BEP reporting on Interim Facilities

MOTION 2006.021. Moved that to ensure active participation of the committee, CVPC is requesting the following information in a report to CVPC before each regularly scheduled meeting. In compliance with the open meeting act, this report needs to be to the committee members 15 working days prior to each meeting.

- a. Current total number of facilities being operated as an interim.
- b. Each interim will be listed by facility number and address.
- c. List the vendors operating those interims.
- d. Date interim began.
- e. Date interim will end.
- f. Designate by number, any extensions of interims planned.

Moved: Delegate Evans

Seconded: Delegate Hanlon

Absent: Delegate Culbert

Vote: Passed Unanimously

LEGISLATION – Executive Committee

A. SB 254 – State property: vending machines

Mrs. Friesen reported that SB 254, although it has not moved, it is still an active bill. She will continue to monitor it. After this legislative session ends, the bill should be dismissed from the legislative agenda.

B. Status on enhancement proposal to Randolph-Sheppard Act.

Delegate Hanlon reported that the various groups, including the ACB, RSVA and MCFAB have submitted letters of support to the enhancement proposal to the Randolph-Sheppard Act. They will continue to pursue and make contact with several Senators to get their sponsorship of the proposal. Their goal is to submit the proposal as a bill to the

Senate committee. The process may take approximately 1-2 years for completion.

PUBLIC RELATIONS AND CONVENTION—Delegate Bedikian

A. Status report on 2006 CVPC Educational Conference

Delegate Bedikian reported that his subcommittee held a telephone conference with the new event planner for the Education Conference. Delegate Bedikian gave some background about the BEP program, its mission and its goals.

The event planner presented the Hilton Arden West Hotel in Sacramento as one of the hotels that closely meets the needs of the blind vendors. It is only 12 miles from the Sacramento Airport and very close to the DOR. The Hilton also finished remodeling all of its rooms and conference facilities. From personal experience, Delegate Hanlon added that the Hilton Hotel is “very blind –friendly”. The conference room at the Hilton is also available during the proposed October date. The event planner should be sending out the “Save the Date” communications to vendors soon once the contract with the hotel has been finalized. Rooms will be \$99 including complementary breakfast.

Chair Hatch suggested to the delegates to begin talking to their constituents about the event. It was confirmed that a vendor plus a guest would be covered. Accounting approved that all active vendors, whether or not they have a location, would be invited to the Educational Conference.

Janis Friesen will be the point person in making travel arrangements for the vendors. Vendors will be required to complete a travel claim for their per diem.

The vendors that will be attending the event will be responsible for making reservations directly with the selected hotel. The vendors will not have to place a deposit for reserving the room nor will they have to settle the account after departing the hotel. The DOR will handle the account.

Food choices for the banquet and luncheon will have to be pre-selected by the vendor. The expenses for the banquet and luncheon will be handled through the CVPC Convention account.

LA COUNTY TASK FORCE—Delegate Begian

A. Status report on LA County contract

Delegate Begian reported that the LA County representative has not contacted the DOR or the Task Force.

The transition of county facilities to be state operated has begun. The team facilitating this transition stated that they would give a 30-day notice to the DOR before each project. The estimated completion date is July 2007.

DEPARTMENT REPORTS

Financial Report

Legislation/Regulations Report

Program Manager's Report

Mr. Westbrook confirmed that he has received full approval to fill 3 BEC positions for the BEP program. One will be located in Sacramento, another one in Los Angeles and the third BEC position will replace the position previously held by Jeff Garcia and will be located in the Central Office. Two people have passed the state examination and will be interviewed in the upcoming weeks.

He has another OT (Office Technician) position to fill and has approval to hire the replacement.

Mr. Westbrook remarked that Clint Vegan is performing above expectations and will temporarily remain in his current position until a permanent replacement is found. He is considering him for a SSA (Staff Service Assistant) position with the DOR.

DISTRICT REPORTS

District Six (6) – Delegate Martin-Hanlon

A. Discussion on assistive technology re: vending machines

Roy Harmon gave a brief overview of the new technology for blind persons that he learned about at the NAMA convention he attended in March 2006.

He learned that there is computer technology that will automatically track data from the vending machines with large print readouts. When a vendor hits the service button on the machine, it would print out a report that is approximately $\frac{3}{4}$ of an inch. There are machines with voice-chips already installed. These machines are currently being sold primarily on the East Coast. There are machines with Braille programming. Delegate Martin-Hanlon added that there are machines that will give a vendor a verbal diagnosis when there is an error reading with the machine.

He noted that the DOR should invest in the machines with the newer technology. He is noticing that with the less expensive machines, the program will spend more in repairs and parts in the long term. The machines that may cost more on the front end, will last longer and cost less in repairs and servicing.

He recommended that vendors, especially those that would like to invest in their own equipment, should keep abreast of the new technology that is available. He commented that there are quality machines and equipment that could make a vendor's job much easier. Delegate Martin-Hanlon advised that blind vendors could use this technology. Mr. Harmon reminded the committee that a new master agreement is being considered. Vendors should be aware of the new technology and submit their feedback and/or needs to the DOR.

Mr. Westbrook indicated that if a vendor wanted a machine or to upgrade existing equipment and it is outside the parameters of the master service agreement, the vendor

would need to get that purchase preauthorized and approved. He warned that the chances of getting an approval or override are very low. He reiterated that the machine has to be comparable to the one being replaced or that is covered under the master service agreement. It is a mandatory agreement to which the DOR has to strictly adhere to. He also advised that a vendor who is interested in equipment or machines with the newer technology should contact their BEC.

The DOR is closely reviewing the repair costs on machines and if it is over 20%, as a rule, the DOR will consider replacing the machine. Mr. Westbrook highly recommended that for those vendors who conduct their own servicing and repairs on their machines, to make sure that their BEC knows and documents that activity, so when a vendor makes a request for a new machine, the BEC can look at the repair history. The replacement request would probably not be questioned because all repairs on the machine have been documented.

B. Discussion on developing Ad Hoc Committees

Delegate Martin-Hanlon reported that she would like to see the CVPC consider creating several ad-hoc committees that would specialize in servicing and addressing the needs of different BEP locations. For example, there would be an ad hoc committee that would address the challenges and needs of prison locations. Members of the ad hoc for prison locations would be vendors who already operate a prison facility. She remarked that each type of BEP location has its own special needs, challenges and concerns.

This issue will be addressed further in the Standards and Procedure subcommittee.

DISTRICT REPORTS

District 1 - no report given

District 2 – no report given

District 3 – Delegate Culbert was absent for the meeting. No report given

District 4 – Delegate Griffith presented a motion to the CVPC. He gave some background information on the motion. He stated that there are some vendors who are terminally ill in the program; however, because of their financial situation they still work their locations to keep their health benefits. Their location and the quality of service begin to deteriorate which eventually affects the program and can become a direct reflection on all BEP vendors.

John Friesen added that there are two terminally ill vendors who are working at their facilities just to keep their health benefits and to keep paying the bills. It is not wise to change a designated provider in the middle of medical treatment. Delegate Griffith introduced the motion to be considered as a statewide vote for the vendors at large to consider.

Delegate Martin-Hanlon remarked that when a person retires from a corporation they retire with benefits. However, Delegate Griffith added that when a vendor does not have a location, everything ceases including their health insurance benefits. Delegate Began remarked that he was concerns whether or not a vendor would really consider accepting 1 year of health insurance benefits after resigning their location. He also was concerned about the administration of this special program (i.e., who would determine what is terminally ill, what documentation or certification is needed, who would monitor it, etc.)

This motion in accordance with the Bylaws required a 2/3 vote to be heard) (Vote to hear the motion carried unanimously.)

MOTION 2006.023. Moved that CVPC request that a ballot go out to all licensed BEP vendors within 30 days. This will establish the following policy for immediate implementation by the Business Enterprises Program. Licensees shall be given 10 days to return the ballot. When a majority is established by the vendors the department will implement this policy within the next 30 days.

When a vendor is certified to have a physical illness, and it prevents that vendor from participating physically on the premises of their

facility; the vendor may request a leave of absence or resignation from their facility for the following benefit:

The vendor and/or their spouse shall be covered by the Business Enterprises Program health insurance plan for a period of 12 months, after their signature of a resignation or leave of absence.

If an absence of longer than 6 months is necessary the vendor's resignation will be tendered allowing the BEP to circulate their facility for permanent selection.

If absence is 6 months or less BEP shall place an interim vendor on site for that period of time.

This coverage shall be paid from the vendor set aside fund to act as the encouragement for their resignation, allowing BEP to circulate the business enterprise.

Moved: Delegate Griffith
Seconded: Delegate Hanlon
Absent: Delegate Culbert
Vote: Motion Passed

District One – No
District Two – Yes
District Three – Absent
District Four – Yes
District Five – Chairperson
District Six – No
District Seven – No
District Eight - No
District Nine – Yes
District Ten – Yes

(Tie voted, Chairperson cast his vote as yes.)

District 5 – No report given. Chair Hatch will contact all of his vendors after this CVPC meeting. Chair Hatch wanted to know the status of the remodeling project at a federal building in his district. The federal government seems to lack the funds for the remodel. John Westbrook reported that he heard they should have the funds in October to begin the remodel.

District 6 – see previous section for a full report.

District 7 – Delegate Begian reported that he has two new vendors in his district, Anthony Cooper and Sandra Balani.

Delegate Begian introduced a motion and gave a brief overview of it. He highly suggested that each subcommittee work on a list of priorities and goals that they would like to see achieved during this CVPC term. These priorities would be the guiding strategic plan for each subcommittee and will be reviewed, modified and revised each term. This would provide consistency to ensure items are not forgotten and followed-up.

He remarked that each subcommittee should have a focused plan. He is concerned that important items that affect all BEP vendors are either lost or forgotten such as the quality of BEP locations, interim facilities, the vendor retirement fund, health and liability insurance, monitoring the set-aside fund, etc. These issues and responsibilities should be followed each and every CVPC term. At the CVPC orientation, the requirements, responsibilities and business plans for each subcommittee will be read and distributed to each subcommittee head. He remarked that the CVPC should have active participation and must always know what information and reports are required from the DOR.

(This motion in accordance with the Bylaws required a 2/3 vote to be heard) (Vote to hear the motion carried unanimously.)

MOTION 2006.022. Moved that the Standards and Procedures Subcommittee assigns 1 person to work with all Subcommittee Chairperson in order to set up guidelines for priorities from important issues that must be reviewed, updated and be reported by each Subcommittee to the full CVPC committee each term. On approved these guidelines will be included in the CVPC Bylaws

Moved: Delegate Begian
Seconded: Delegate Hanlon
Absent: Delegate Culbert
Vote: Passed Unanimously

District 8 – Delegate Bedikian contacted most of the vendors in his district and that there are no issues to report at this time. The department is working on developing and procuring better locations which would provide better opportunities for everyone.

District 9 – Delegate Collins reported that there are new locations in his district – the prisons located in Blythe and another interim facility, San Bernardino courthouse. The San Bernardino courthouse location will be an interim for 6 months; the vendor is retiring and gave a 30-day notice. Several vendors confirmed that they were notified about the interim facility.

District 10 – Delegate Hanlon reported that there were two new vendors in his district. One vendor is at the Chula Vista courthouse and Ron Long will be located at the Cal Trans Building in San Diego. He did hear something about the Naval Base in San Diego and that it would probably take another year to develop. The existing power is insufficient and it would be a large expense for the program to develop. It will be a rather substantial reconstruction project. The BEP has obtained a permit which has been forwarded to the naval base for further approval. Mr. Westbrook remarked that the naval base has not been cooperative on this project and this issue may be escalated to Washington, D.C for a resolution. The BEP envisions that the location will be either a wet stand/snack bar facility.

NEW BUSINESS

No discussion.

OPEN FORUM

Delegate Evans remarked that there is new reading equipment, especially made for the visually impaired. It is a handheld device which would enable a person to take a “snapshot or picture” of a piece of reading material and the device will verbally read the material aloud. The benefit of the device is that the material can be read on the spot. External computer equipment, scanning and downloading is not required. It expected to debut in July 2006 and costs approximately \$3K.

Mr. Harmon mentioned that there were several conventions held recently which introduced various assistive technologies for different disabilities, concentrating more toward the visually impaired. One was held in Northridge and the other was in Orange County. Chair Hatch attended the one in Northridge.

ADJOURNMENT

Chair Hatch thanked Delegate Begian for hosting the meeting and remarked that he always “run a class act”. He also thanked Mr. Westbrook for his attendance at every meeting and for responding to the intense questioning, action items and commentaries. Mr. Westbrook stated that he has recently celebrated over 30+ years with the program.

Chair Hatch reminded the committee that the next CVPC will be held in July in Sacramento. An actual date will be finalized by the Executive Committee.

MOTION 2006.024. Moved to adjourn at 4:55 p.m.

Moved: Delegate Begian
Seconded: Delegate Murphy
Absent: Delegate Culbert
Vote: Passed Unanimously

SECTION 1

*Motions from the March 15th Meeting with
DOR Responses*
