
**CALIFORNIA VENDORS
POLICY COMMITTEE
(CVPC)**

**Meeting Minutes
December 7, 2006**

CALIFORNIA VENDORS POLICY COMMITTEE Meeting Minutes

Meeting commenced at 9:06 am, Thursday, December 7, 2006.
Location: Department of Rehabilitation in Sacramento, California

INTRODUCTION/CELL PHONE CHECK

Chair Hatch began the meeting by stating there was a closed session scheduled at 10:00 am. Only the CVPC delegates, CVPC Executive Secretary, and the Recording Secretary would be in attendance to this special meeting. The closed session (authorized by Government Code 11126) was placed on the agenda to address some of the legal issues that need to be resolved. The regular CVPC meeting would reconvene at 10:30 am.

Chair Hatch gave a brief overview of the agenda and noted some preset sessions that were scheduled throughout the meeting.

11:00 am - Certificates of Appreciation were awarded to BEP vendors who participated in the Summer Youth Program, giving blind teenagers the opportunity to gain work experience and an introduction to the BEP program.

1:00 pm – Chair Hatch announced that Ashley McPhaul from Cantaloupe Systems would give the CVPC a brief introduction to the technological enhancements to vending machines that could help visually impaired vendors manage their vending routes more effectively, efficiently and remotely.

2:00 pm - Grievance training would be conducted by a member of the DOR's legal staff, Gwendolyn Pratt, including the "do's and don'ts" when filing a grievance and when it is appropriate to use the grievance appeal process.

Chair Hatch reiterated the rules of participating in the meeting, including requesting that all cell phones be turned off during the meeting.

ROLL CALL

Chair Hatch called the meeting to order at 9:06 am. He began the meeting by taking a roll call of attendees.

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	Agnes Developmental Center and Main Processing Center (Post Office) in San Jose.
District 2	Joe Murphy	Turlock Roadside Rest Area, Turlock, CA (Facility 756)
District 4	Reece Griffith	Cal Pers Public Retirement System in Sacramento (Facility 697)
District 5	Michael Hatch	Corcoran State Prison
District 6	Jeana Martin-Hanlon	California State Men's Prison in Lancaster, California
District 7	Harry Begian	Cal Trans, 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	Vacant Seat
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INTRODUCTION OF STAFF AND GUESTS

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

John Westbrook – BEP Program Manager

Janis Friesen - CVPC Executive Secretary

Charles “Buzz” Nunn – Retired Annuitant working on updating the BEP Regulations

Guests and BEP Vendors:

Juan Aguilar - Vendor operating the US Post Office in Santa Ana.

Arthur Culbert - BEP vendor operating a facility at the Department of Rehabilitation.

Roy Harmon - BEP vendor that operates a roadside rest area in the Oceanside/San Diego area (Location 745).

Hazel Harmon – wife of Roy Harmon.

John Friesen – BEP vendor that operates a facility at the Water Resource Building in Sacramento.

Nicole Smith – CVPC Recording Secretary

MINUTES – Recommended Action

Approve the minutes of the CVPC meeting held on September 21, 2006.

MOTION 2006.039. Moved that the committee accept the minutes of the September 21, 2006 California Vendors Policy Committee meeting and the Responses to the motions for the September 21, 2006 as distributed.

Moved: Delegate Griffith

Seconded: Delegate Martin-Hanlon

Vote: Passed Unanimously

Reading of the CVPC Motions and BEP Responses of September 21, 2006 Meeting.

There was no reading of the motions from the previous CVPC meeting. All the motions passed were regarding internal CVPC business in which no DOR response or action was required.

EXECUTIVE OFFICERS REPORTS

Report of the Chair

Action Items from the September 21, 2006 CVPC Meeting:

Action Item: Mr. Westbrook noted that the bi-annual survey designating all of the different state and federal locations are being worked on and updated by his staff. A copy will be forwarded to the CVPC for review. Mr. Westbrook believes the turnaround time for the report should be finalized within a month from this 9/21 meeting.

Status Report: John Westbrook reported that GSA and DGS were contacted about the bi-annual report. GSA submitted a brief response but the information given did not offer the detail that the DOR was requesting. There was a "tentative" commitment from DGS to get this information but they did not give an estimated timeframe of when it would be completed. To date, nothing has been received from either agency.

Mr. Westbrook noted that he was informed by a previous vending machine unit staff member Elizabeth Garcia, that the DOR no longer required the report and may not have been requested for some time. In addition, it is not required by the State Legislature. Because it is required and indicated in the CA W&I Codes, the DOR will continue to obtain the report and submit a copy to the CVPC as soon as it is

available. He further noted that the DOR will have a report to the CVPC. No timeframe indicated.

Action Item: Mr. Westbrook will request Doug Sales in contracting to set up a meeting to discuss implementing a system to track, record and audit sales from vending machines that are being operated by privately owned companies.

Status Report: Doug Sales agreed to implementing a tracking system. He recommended that BEP staff work with Sandy Cook, an analyst, to discuss effective ways to develop and implement this system.

Action Item: Mr. Westbrook will follow-up with Mr. Sales after he returns from vacation on developing a tracking system to closely monitor vending machine contracts, total sales and commission payments.

The procurement specialist position is expected to be filled by 2/1/07. Sixteen candidates will be interviewed in January and the successful candidate is expected to start on or about 2/1/07. The person will work closely with the BEP program.

Chair Hatch reminded the DOR staff that the CVPC have suggested in the past various ways to audit non-BEP vending machines and the importance of capturing the necessary information and commissions. The CVPC feel current operators are not accurately reporting the sales from vending machines. This continues to have a long-term and negative affect on incoming commission payments to the set-aside fund.

Some options that are being explored are:

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- Requiring companies, on a monthly basis, to report by machine, the sales including the non-resettable total that is generated from the machine. The non-resettable total cannot be changed or tampered and will give the DOR a better and more accurate sales total by machine.
 - Explore different vending machine technology to help track and audit machines remotely from the central office.
 - Conduct spot audits. Use existing staff to conduct random, unscheduled audits of the machines in the field.

Mr. Candela noted that the DOR is actively researching ways to audit machines in order to ensure accurate commission payments.

Action Item for Mr. Candela: John Friesen highly recommended that the DOR incorporate some “strong legal language” into vending contracts in order to prevent or limit fraud. If fraud is determined, all existing contracts will be terminated. Contractor should not be able to bid on future vending contracts as well. He noted that in 1995 there were **319 contracts**. Currently, there are only **157 active vending machines contracts**. A drastic reduction in contracts over the years that is paying commissions. Mr. Candela agreed with Mr. Friesen’s suggestion and will have the Legal Department look into this further.

Action Item: He [Delegate Hanlon] recommended that Mrs. Friesen develop a thank you letter to Cal Trans for sponsoring this CVPC meeting.

Status: Action item completed. Mrs. Friesen did send a letter to Cal Trans and also to Ron Long, thanking them on behalf of CVPC for hosting the 9/21/06 CVPC meeting in San Diego.

Action Item: Roy Harmon may be able to give a brief report at the next CVPC meeting regarding his successes with the charge card option and increased sales. Mr. Harmon remarked that sales improved by 28% if a customer was given the option to use a credit card at the vending machine.

Status: Report Pending. Mr. Harmon may be able to give a full report at the next CVPC meeting about increasing vending machine sales by utilizing credit card technology.

Action Item: Chair Hatch recommended that the proposed motion be follow-up by the Executive Committee which will write a letter to the DOR and try to obtain further clarification on the transference of property from county to state and what will be the state's areas of responsibility.

Status: Mrs. Friesen clarified that this was concerning the definition of control during the transfer of the county court system to the state's responsibility. A letter was written on behalf of the Committee, requesting that Legal look into this issue and the Director has responded that she has referred it to Legal for a clearer definition of control and on how the BEP priority will be recognized.

Chair Hatch added that there will some cases where both county and state employees will be on the same property. The CVPC is looking for a clearer definition on what would be the BEP's priority in these types of situations. According to the law governing BEP priority, it states, BEP has priority on "**state-owned, leased occupied controlled buildings.**" What will happen to BEP's priority when the building is not completely under state control?

****This issue pending; additional follow-up need****

On October 27th the Executive Committee met with the Director and Executive Staff. Listed below are the actions items that were discussed in the meeting.

Action Item: BEP draft a letter from the Director to DGS reminding them of BEP priority and need to immediately notify us of any new opportunities for food services, vending machines, etc in state-owned or leased buildings.

Status: Tony Candela is to set up a meeting with BEP legal staff, and DGS when appropriate, to determine the effective process for timely data on new and available sites.

*Due Date for meeting: **No later than 12/31/06.***

- The goal of the meeting is to develop a streamlined process and then enter into an MOU with DGS to commit DOR and DGS to the process. The purpose is to ensure information is shared and communicated on regular basis.
- The process will fulfill the intent of the current bi-annual report in the WI Code. CVPC Executive Committee agreed with this process in lieu of current report data which is very labor intensive and sometimes too late to make effective proactive decisions and solutions.

Chair Hatch clarified the statement about agreeing to the new process and reporting. He noted that the CVPC agreed to “review the data as a possible solution to the problem.”

Mr. Candela added that no one is allowed to arbitrarily omit the preparation of the bi-annual

report. The preliminary meeting with DGS did occur and staff discussed ways to implement a systematic process to obtain the required information about available state and federal facilities and locations. He further noted the importance of the bi-annual report because it will list current and potential BEP locations throughout the state but the time and labor involved to compile a comprehensive report is more than what everyone expected. The DOR is working closely with DGS to obtain their current data and reporting.

DGS is cooperating and is willing to provide the information that they currently have in their database. Mr. Candela noted that they have been more than cooperative when sharing with the DOR information about future location developments and opportunities.

Action Item: Because of the 12/31/06 deadline soon approaching, Mr. Candela remarked that the DOR should make a follow-up contact call with DGS to get a status report on the bi-annual report.

Some have suggested that when the full listing is obtained, the DOR should be responsible for keeping it updated as new locations develop.

Discussed in the meeting were the following topics:

**Lack of
Communication**

Chair Hatch discussed a situation involving Larry Iniguez, Greg Seib (BEC) and Tom Evans (QLDC). They went to meet with a Cal Trans architect from to discuss the development of several roadside rest areas.

The architect mentioned that she was so encouraged to meet with the representatives from BEP because she had made several attempts to contact someone but she could

never get a response. She had been trying to reach Jeff Garcia and left several messages; Mr. Garcia is no longer with the DOR.

There were other examples where the BEP could have missed potential BEP location opportunities.

Mr. Candela and Mr. Westbrook have corrected the problem and will ensure future voicemails from terminated state employees are forwarded and the voicemail message be updated to direct callers.

**Active
Participation**

Chair Hatch reported a “big improvement” in the areas of active participation. He thanked the DOR Executive Staff for keeping the CVPC involved and abreast of new developments and decisions.

Report 6

The CVPC has been receiving a “Report 6” which gives detailed information about some of the expenditures of the BEP program and trust fund. However, some of the accounting jargon and codes still needed to be explained.

The codes has been received and Mrs. Friesen will reorganize the report to make it easier to understand, analyze and report the data.

Strategic Plan

The Strategic Plan of 2005 was discussed briefly. It has been suggested that the BEP re-review the Strategic Plan and embrace some of the concepts in the plan. Several questions were brought up such as

- What is the program looking to accomplish in the next five years?

- Where does the program want to be in the next couple of years and what are the strategic goals or vision of the program?

By revisiting the Strategic Plan, it could be a valuable tool or guide for future planning and goal setting.

The Director and the Executive Committee compromised because there was initial concerns regarding using staff time and limited resources in creating a new Strategic Plan. It was suggested to use the existing plan as a template.

Action Item: There was a DOR commitment to have an initial meeting regarding the Strategic Plan by **January 15, 2007** and to begin working on it. John Westbrook confirmed that his staff will take the lead on the project and that Steve Miller and Mike Davis have been assigned to it. He believes they should be able to meet the commitment date of January 15th.

Healthy Choice Initiative

The Director wanted to pursue and support the Healthy Food Program first initiated by Governor Schwarzenegger. Since the program's inception, there has not been a cohesive or organized effort to promote the program.

CVPC Task Force

Chair Hatch suggested implementing a task force to lead this effort. Delegate Begian

volunteered for the project and will be the liaison between the DOR and the CVPC to help coordinate and implement a program to support and promote the Healthy Food Initiative.

Chair Hatch reported that there is a conference call scheduled to discuss the group strategy between various parts of the vending industry and to develop a cohesive position when approaching Senator Torlakson about the goals of his healthy food initiative which mandates that 50% of vending machine food products meet nutritional guidelines.

Mr. Candela added that it is difficult for even the Department of Health and Human Services to develop a well-defined set of guidelines for the program. What is considered healthy and nutritious? It was suggested to the Governor that the program about healthier food choices is promoted to the larger general public so that the vending businesses is being driven by the vendor's customer base and customer demand rather than by someone who has set an arbitrary or blanket mandate. The vendor's customer base must be driven to and want to buy healthier food products otherwise the vendor can lose business if there is no demand for such products.

Mr. Westbrook indicated that Joanne Fleming, a Sacramento BEC, is having an educational workshop for vendors and will present distributors who specialize in healthier food products. He used Ron Long as an example of a vendor who is promoting healthier food options to the customer and remarked that the Department of Health and Human Services is very pleased with what they are seeing so far.

Pro-Rata Charges Chair Hatch reported that he received an email from Mr. Candela that announced beginning the next fiscal year July 2007, the Department

of Finance will no longer charge pro-rata against the set-aside fund. They are revisiting how they were charging different agencies and is establishing exactly how much each agency is costing them in administrative expenses and will charge each agency accordingly. They will look at each agency as whole and charge the DOR what is needed to recoup their administrative costs. ***(See Section 1 - Email Communication From Tony Candela in Regards to Pro-Rata Expenditures from the Set-aside fund)***

Mr. Candela agreed not to pursue the option of trying to recoup past expenditures. In the past, the Department of Finance has always maintained and defended their position that the deductions were legal and required. He felt it was wise to take the offer of no more set-aside deductions from this fiscal year and beyond.

CVPC CLOSED SESSION MEETING – 10:00 pm

Chair Hatch reiterated the confidentiality agreement to those delegates and others that attended the closed session meeting.

After the closed session the CVPC, DOR staff and guests reconvened at 10:30 pm.

Mr. Candela gave a brief summary of the conference call with members from all over the United States representing state operated vocational programs. He stated there are quarterly meetings and the main goal is to ensure that the Federal Vocational Act is closely followed and allocated monies are being used appropriately.

Chair Hatch summarized a conference call that included Doug Sales in Contracts, John Westbrook, Steve Miller and Lloyd Anderson. They discussed the purchasing of vending machines and the status of the existing Statewide Master Contract. As of October 2007, the DOR will need to find more effective ways of purchasing vending machines. This workgroup will work closely over the next 6 – 9

months to try and develop a plan on procuring machines for the program. Chair Hatch and Roy Harmon will survey vendors with vending machine routes to see what is important to these operators. They will also find out what is working and what is not in current process of purchasing vending machines. The DOR is looking to have some solid data, recommendations and a solid business case in place by July of 2007.

Report of the Vice Chair

Delegate Hanlon attended the BAC meeting on November 9th. He gave a brief summary about the goal of the Blind Advisory Council. He encouraged other delegates to attend these meetings to get an overall picture of the various services within the DOR.

Mr. Candela added that in the meeting the overall DOR budget is discussed. He remarked that the DOR believes that they are adequately funded but it is "rather tight". Also discussed is the amount of consumers entering the counselors caseloads which is important information when tracking the successes and weaknesses of the Randolph-Sheppard Act and the program. The DOR is actively looking for more consumers to enter into the program. The Summer Youth Employment Program was another topic that was discussed.

2006 Summer Youth Program. A small appreciation ceremony was conducted to thank the BEP vendors who participated in the Summer Youth Employment Program. Mr. Candela gave an overview of the program and the importance of giving blind youth the opportunity to obtain hands-on job experience. He encourages more vendors to participate in the program this upcoming summer. Richard Rueda, the transition coordinator located in the Fremont/Oakland offices, remarked that it was one of the most exciting efforts he has participated in and it is a groundbreaking program. He reported that there were 8 students who participated, 4 in Sacramento and 4 in Los Angeles. They worked closely with the Society for the Blind and the Junior Blind of America who in turn worked with the participating vendors. Some of the youths who participated have been offered part-time jobs as a consequence of this program. The DOR and the different agencies would like to see the program expanded to other parts of the state, especially establishing operations in the San Francisco Bay Area.

The vendor is reimbursed a training fee in the amount of \$500. It is a 5-week experience for the youth participant, 4 days a week, 5 hours

a day. The youths' wages are paid through the private supporting agencies such as the Junior Blind of America, the San Francisco Lighthouse and the Society for the Blind. For all the youth participants it was their first job. Delegate Begian remarked "**it is the least we can do as vendors**".

Mr. Candela wanted to publicly acknowledge the vendors who participated: **Harry Begian (SAC), Al Barnes (LA), David Moore (SAC), Joanie Patche (SAC) and Elias Thomas (LA).**

The DOR is currently looking at other areas such as San Diego, Riverside and Fresno to expand the program. The DOR is not allowed to pay the youth directly so there needs to be a supporting agency that also provides mobility instructors, money-counting skills trainers, etc. The youths are paid the prevailing minimum wage of \$7.00/hr by the supporting agency. The average age of the participants were between 16-18 years of age.

Report of the Secretary-Treasurer

Delegate Griffith remarked that the CVPC Educational Conference was highly successful. The CVPC was able to raise some money and he gave a breakdown of the deposits and debits made from the CVPC account.

Beginning CVPC Account Balance	\$ 6,000.00 (approximately)
Auction	+\$ 3,145.00
Food Bill	- \$ 7,891.61
Bar/Raffle	- \$ 1,774.00
Lunch	- \$ 1,305.00
Total Spent on Seminar	\$17,585.09
Final CVPC Account Balance	\$ 9,418.09
- Ending	

The account is currently at Washington Mutual Bank. For any debits by check, 2 signatures are required. There are 3 signatures on the bank account and it is a money market account. There is a 3 check limit per month and the account balance cannot go below \$1000.

EXECUTIVE SECRETARY'S REPORT— Janis Friesen

Janis Friesen gave a brief report. She has been very involved in finalizing the receipts from the Education Conference.

She will place the information about the Summer Youth Employment Program on the CVPC website. Interested vendors are to contact John Westbrook for more details.

On the CVPC website, there is now a CVPC Educational library which contains valuable resources and information that was distributed or referenced at the Educational Conference. The training instructor, Bill Shirah, has been sending Mrs. Friesen training materials to post on the website as well.

She is also creating a picture gallery of different BEP locations. Also posted are pictures of some of the speakers and vendors that attended the educational conference.

<http://mycvpc.com/pictures.html>

She has also created a link for vendors to see and view new QLDC development projects. Vendors would be able to view different plans (provided by Steve Miller) and actual pictures of different sites including the surrounding areas.

<http://mycvpc.com/QLDC%20Projects.html>

Action Item: Chair Hatch highly suggested to all subcommittee heads to have their meetings scheduled soon after each CVPC meeting. It would help tremendously in meeting the different project deadlines set throughout the year. He also challenged the subcommittee chairs to utilize a standard meeting form to track motions, votes, action items, etc. It would also make it easier for the next CVPC committee members to track and continue active and pending projects. The next subcommittee chair would be able to carry on the work of the past subcommittee.

COMMITTEE REPORTS

GRIEVANCE—Delegate Martin-Hanlon

Report on Pending Grievances

Action Item from 9/21/06 CVPC Meeting: Mr. Westbrook will notify Legal to forward any new and pending grievances directly to Delegate Martin-Hanlon so she would be able to make full and complete reports to the CVPC.

Status: Mr. Westbrook responded that Kelly Hargreaves in the Legal Department will continue to forward any grievances to the Program Manager who will then forward them to the Grievance Subcommittee Chair. Legal prefers to keep this process intact.

Mr. Westbrook noted that there has been no new grievances since the last CVPC meeting.

Delegate Hanlon explained the status of the grievance he filed earlier in the year and has noticed that since the filing, he has seen significant progress on several of the issues that were addressed in the grievance. He has seen an increase of active participation between the DOR and CVPC.

Mr. Candela reported that there is a panel being coordinated for the arbitration that will review the grievance case involving Mr. Zellikson who was removed from a GSA facility. He indicated that Melinda Wilson and Peter Nolan are possible candidates that will sit on the arbitration committee. The DOR was successful in the initial case and now there is a new arbitration for a second time so there may be some consequential action on behalf of the GSA.

Action Item: Mr. Candela will request from Legal more detailed information regarding the status of this case and what is the ultimate goal from this DOR/GSA arbitration.

Navy Negotiations: Mr. Candela requested from the CVPC some feedback on the DOR's upcoming negotiations with the Navy. The Navy would like to revisit the contract situation that involved BEP vendor, Ron Long. It is intended to be an informal discussion about the settlement. Mr. Candela explained the potential strategy in the negotiation: (1) try for all 5 galley contracts, (2) try for just 2, or (3) try for the original contract with revisions.

Mr. Candela indicated that in the current environment with the Defense Department challenging the Randolph-Sheppard Act in different ways, it seems that just winning 1 of the 5 galley locations would be a victory for the program.

Mr. Westbrook gave some historical background and indicated that 4 of the locations were planned to be “mess attendant” locations with 1 facility being placed for bid with Randolph-Sheppard priority. Seth Brunner, the DOR attorney, and Peter Nolan believes that all 5 locations should have Randolph-Sheppard priority. If the DOR gets the 2 locations, it would set a precedence not only in California but for other states as well. Both locations together would a viable location.

A closed session was done to maintain the confidentiality of the pending legal matter and the potential strategy when negotiating with the Navy.

If the Navy does not want to negotiate further on any of the galleys, the next step for the DOR would be to proceed with arbitration.

Secondary and Interim Locations: Mr. Candela commented on the timeline and the DOR’s action plan regarding the secondary facilities and interim facilities. All secondary locations will be eliminated. Current interim facilities will be either consolidated or placed for open bid. Mr. Westbrook added that there will continue to be interims; however, there will no interims that exceed six months. If an interim facility exceeds the 6 month timeframe, he will approach the CVPC for advice on handling the facility. The DOR is currently implementing the plan and is moving forward. He suspects that within six months there will be no interim facility exceeding six months.

Vendor Michael Dowling filed a grievance against the DOR regarding the outcome of the interim and secondary locations. He conceded to withdraw the grievance if the DOR adheres to their agreement of responding within the 30-days regarding their plan and intentions.

Action Item: Mr. Westbrook will remind legal to respond to Michael Dowling grievance before the 30 day deadline.

2:00 pm - Grievance Training facilitated by Gwendolyn Pratt from the DOR Legal Department

Gwendolyn Pratt reviewed the BEP Appeal Procedures

Step 1 Within 15 working days of action or occurrence with which vendor is dissatisfied, he/she requests of the Supervising Business Enterprise Consultant (SBEC), an informal review (Title 9, CCR 7227.1)

- Key Points:**
- Vendor should clearly state with details the violation including the **Regulation(s)** that was not followed.
 - State exactly what has happened or not happened.
 - Indicated what the correct response should be to the situation or violation. What is the desired outcome? What actions should have taken place?
 - 15 working days, excludes weekends and holidays. Vendor should be expeditious when filing the grievance and take into account the 15 working day requirement.
 - Be specific and clear with details and facts. The program can respond better to the grievance if it is clear and concise.
 - The 15 days, although not clear in the regulation, should start from the “**date of knowledge**” of the incident.
 - If the vendor files a grievance against a SBEC or BEC, the vendor would forward it to the Program Manager for review and resolution.
 - If the grievance is against the Program Manager, it would go to the Deputy Director.
 - Grievances should **not** go directly to the Legal.
 - If the licensee/vendor is dissatisfied with the proceedings at any level of the review process, they can abandon the informal process and see remedy through the Full Evidentiary Hearing.

Step 2 SBEC reviews and recommends decision.

Step 3 BEP Program Manager reviews and either approves or changes BEC proposed decision

Step 4 DOR must respond to vendor within 15 business days from receipt of request.

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- Key Points:**
- The DOR will respond either (1) “yes, we concur” or (2) “no, we do not concur”. Example is “No, we do not concur but perhaps this will resolve the situation” or “No, we really do not see how this can be resolved, can we talk further.”
 - Sometimes, if Legal cannot resolve the issue or respond within the 15 days time period, Legal may request an extension to the 15 days and ask for an additional amount of days so they can show the vendor exactly what they are doing to work on it.
 - A generalized response “**we are working on it**”, is not acceptable and does not provide clarity to the situation.
 - If the vendor declines the extension, the DOR will have to do the best they could to describe the situation and any potential next steps. It may not be a complete response.
 - Although situations may arise that are uncontrollable, Ms. Pratt indicated that there is no excuse for the DOR not to respond within the 15 day period. If there is a problem meeting the deadline, the DOR’s responsibility to contact the vendor.
 - The vendor can add to the grievance anytime if there is supporting documentation or facts to make the grievance even stronger. It would be beneficial to the DOR. The vendor should provide it the SBEC.
 - The informal grievance process is designed to have the situation resolved in a shorter period of time and should not take months.

Step 5 If desired, vendor may make written request for a full evidentiary hearing within 15 business days of receipt of the DOR decision.

- A vendor does not have to go through the informal grievance process.
- A vendor is **not** required to exhaust all the remedies before requesting a full evidentiary hearing.

A vendor can submit a request for documentation under the **Public Records Act** to be used as evidence in the grievance process. Attorney-Client documents are excluded under the Public Records Act. If a request is made, the DOR would need to be presented with a strong argument or the disclosure. The DOR must respond to the Public Records Act within 10 days if they could produce the required

material or not. There is no guideline as to how long the DOR has after the 10 day response but if they are making any responsible efforts to get the information to the requestor, they are in compliance to the law.

The OAH has “subpoena forms” that a vendor would use if requesting DOR documentation and/or requesting that a DOR staff person appear at the hearing. To use the subpoena option, the vendor must have strong legal grounds. The DOR could potentially respond by filing a motion against the subpoena.

If another vendor would like to add testimony to an existing hearing, they would have to be first be called as a **witness**.

Full Evidentiary Hearing:

- Step 1 Within 15 business days of action/occurrence that vendor is dissatisfied with, vendor may request a “full evidentiary hearing” as provided in CA W&I 19635 and Title 9 CCR, sec 7227.2. Federal law requires this procedure.
- Step 2 Chief Counsel determines if grievance is timely and sufficiently specific.
- Step 3 DOR/Legal requests a hearing date from the Office of Administrative Hearing, to be held within 30 calendar days of postmark of grievance (or date of receipt so long as postmark in illegible)
- Key Points**
- Vendor should be very specific with details.
 - Ms. Pratt highly suggested that it is always easier if the DOR could resolve the issue instead of going though a full evidentiary hearing because of the lengthy process and it is an overall better use of time.
 - The OAH is very strict about following hearing procedures and protocol.
 - Any and all evidence should be well-prepared in advance.
- Step 4 Office of Admin Hearings (OAH) mail the notice of hearing to the vendor and to the department.
- Key Points**
- They may grant continuances up to 20 days but it must be good cause such as death, illness, unavoidable conflict in schedules beyond the person’s control.
 - It is not easy to be granted a continuance these days.

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- There has been very little flexibility.
- Step 5 Hearing
- Step 6 OAH mails proposed decision to DOR and to Vendor.
- Step 7 DOR reviews Proposed Decision and either adopts or does not adopt and prepares a different decision.
- Key Points**
- The Director reviews the decision, including the facts, the legal findings and Regulations. The findings must be supported by the facts.
 - The Director’s written decision must show that he/she reviewed the evidence presented in the case, make findings based upon the evidence and then make the decision or order. The Director must follow these steps; there must be a clear connection between the findings and the order.
- Step 8 DOR sends decision and the Director’s order, to Vendor, advising of vendor’s right to pursue federal arbitration.

Action Item: Delegate Martin-Hanlon requested that not only the grievances be forwarded to her but also the **legal findings and DOR decisions** so she would be able to give a full report to the CVPC. Delegate Martin-Hanlon will research several documents, including the By Laws and Procedure Manual to find out where it states that grievances are to be forwarded to the Chair of the Grievance Subcommittee from the DOR. Ms. Pratt will also look into it as well. She thought the request for the legal findings had to be placed in writing to the Program Administrator.

Ms. Pratt indicated that the protection and privacy of the grieving vendors depends upon what is stated in the Regulations. If it states the DOR must furnish to the CVPC Grievance subcommittee copies of the grievances filed against the DOR , then there is no protection of privacy unless otherwise stated in the law.

Mr. Friesen reminded the CVPC that “it does state in the Regulations that the delegates are supposed to try and resolve differences at the lowest level”. It is the delegates’ responsibility to assist in resolving any complaints with the SBEC first to avoid using the grievance appeal system.

Mrs. Friesen read a section of the Rules and Regulations that a CVPC delegate, “(1) provides advice and assistance in the review

and/or hearing processes, (2) to assist in the preparation and submission of a written request for review and/or hearing; (3) intervene on behalf of a licensee or vendor to negotiate with the department staff to resolve a complaint at the lowest level within 5 working days of the date of request for review was mailed to the DOR, and (4) endeavor to achieve a fair and equitable solution to the licensee or vendor complaint.” Mrs. Friesen reiterated that the delegates play a major role in the complaint process and in helping and/or advocate on behalf of the vendors before escalation to the grievance process.

Ms. Pratt did confirm that until a licensee’s case is closed and is no longer a DOR client, the licensee must refer to the Client Assistance Program for representation and assistance. A licensee would appear before an appeal court.

BUDGET AND FINANCE—Delegate Collins

Action Item from September 21st Meeting: This subcommittee will research the DOR's policy or process regarding the termination of a vendor's license due to delinquent fees.

Status: In the memorandum from John Westbrook dated November 1, 2006, it clearly states the subsequent actions that will be taken on behalf of the DOR for delinquencies on MORs. The DOR requested a review and any recommendations from the CVPC about the draft memorandum.

Mr. Friesen read the CVPC Executive Committee recommendations and additional questions:

“The CVPC believes there should be a timeline for catching up on the monies owed with a December 2007 deadline for repayment plans. After this letter is sent, everyone is responsible for all current monthly payments or the 90-day rule kicks in.

The Committee would like to see that those vendors that are on a repayment plan are still making their monthly payments to the set aide fund also.

The committee would like to know:

- How the DOR is going to handle vendors who owe money but are not on a repayment plan now.
- If DOR is going to have repayment plans could CVPC be informed of those?
- If any vendors are on a 5 year repayment plan.
- What are the plans if a vendor owes money or on a repayment plan and the vendor applies for a new facility?”

Chair Hatch noted that the letter sent to all the vendors was “very vague” about the repayment plan options being at the discretion of the Deputy Director and Program Manager. Chair Hatch would like to see more detail in the DOR's policy regarding the structure or parameters of the repayment plan. Mr. Westbrook agreed with the CVPC's recommendations and will see that additional communication

is sent out to the vendors explaining the DOR's intentions including more detail on the DOR's policy regarding repayment plans.

Action Item: Mr. Westbrook will follow-up with Accounting to see if there is a way to streamline or improve the letters that are sent to vendors. Chair Hatch pointed out that the report is not an easy to read communication for a visually impaired person.

BECs will also be very involved in the process in an effort to retrieve delinquent funds. Mr. Westbrook will also direct BECs to review the monthly report to see who has delinquent or missing MORs and they should follow through accordingly. Vendors will be receiving letters from their respective field offices as well. Mr. Westbrook indicated that the DOR is looking into instituting a 12 month maximum repayment plan. There may be special exceptions but it will have to be justified depending upon circumstances.

A. Status Report on BEP Budget Information

Delegate Collins reported that they are working on making "Report 6" easier to read and analyze.

Janis Friesen reported that the month ended July 31st 2006, the current fees was \$118,809.07. There were \$232.30 in delinquent fees collect and \$500 in penalties for a total of \$119,542.57. There are some discrepancies between the report of July 31st and August 31st (which begins the new fiscal year).

Mrs. Friesen will continue to work with Accounting to better understand the report and clarify the discrepancies. Mr. Candela highly recommended working with Erika Behling from Accounting to revisit the set-aside report, explain some of the coding in the report and to clarify the discrepancies. Mrs. Friesen will follow-up with Accounting to obtain the September and October reports.

Delegate Collins remarked that many people are still confused about the DOR's budget system and how the money flows in regards to federal and state matching funds.

Action Item: Mr. Candela recommended inviting the Chief Financial Officer to the next CVPC meeting in order to provide a coaching session about how the federal and state

matching funds work. It may have to be via conference call because the CVPC meeting will be in LA.

B. Mission Statement

Delegate Collins reported that they are delaying progress on establishing a mission statement for the subcommittee until they fully understand the DOR's budget process. The subcommittee has decided to "table" the development of a mission statement for now.

STANDARDS AND PROCEDURES— Delegate Hanlon

A. Status of SB87 – Vendor Loan Program

Mr. Candela reported that the "law SB87 did not provide enough ability for the DOR to actually [implement] a loan program". Three years ago, the DOR tried to develop the regulations on the program but was unsuccessful. The DOR, as an agency, is not set up or does not have the expertise and resources to develop and manage a loan program.

One option is to have the law rewritten in order to give the DOR some flexibility to manage the program which would include retaining an actual lending institution to administer the program. After analyzing the entire process and because of the potential roadblocks that may hinder the revised law, it was agreed to give the legislative process to CCB (California Council for the Blind) who has the expertise, internal contacts and vast experience of getting laws passed through the system successfully. At this point, the CCB is taking the lead on revising the law SB87.

Action Item: Mr. Candela will follow-up with Dan Kysor of CCB to get a status report on the SB87 revision project. Mr. Kysor confirmed that he has received all the necessary materials to get started.

B. Status on BEP Regulations.

Mr. Hanlon reported that his subcommittee will continue to meet with “Buzz” Nunn and Mr. Westbrook on a regular basis in order to finish each section of the Regulations.

Mr. Nunn gave a brief assessment on the status of the Regulations. He commented that all parties involved have been very cooperative and the process in moving along. He is very encouraged about the progress and anticipates the Regulations being finalized and submitted to the Office of Administrative Law by June 2007. There are different strategies that will be applied to getting each section finished. In each step of the process, the CVPC will be directly involved for input and agreement. Mr. Nunn remarked that during the entire process there will need to be compromises made between all parties involved but everyone will see a significant improvement in the Regulations. The goal is to make the language easier to understand with responsibilities clearly defined.

The Regulations should be reviewed every three years.

C. Motion: To accept CVPC Bylaws as changed.

MOTION 2006.040. Moved to dispense with the second reading of the CVPC Bylaws and accept these Bylaws as previously read at the September 21, 2006 CVPC Meeting in San Diego.

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

District One – Yes
District Two – Yes
District Four – Yes
District Five – Chairperson
District Six – Yes
District Seven – Yes
District Eight - Yes
District Nine – Yes
District Ten - Yes

11:00 am Presentation

Ashley McPhaul from Cantaloupe Systems

Cantaloupe Systems is one the main manufacturers and distributors of remote wireless systems and specialize in remote monitoring. They have implemented a wireless services to help make vending routes and businesses be more efficient, profitable, and reliable.

Key Benefits:

- It will allow vendors to view the conditions of their machines in real time.
- The vendor will know when it is the right time to service their machine, what product(s) to take, how much money they can expect to bring back out of that machine, etc.
- The vendor could also get information about the overall health of the machine such as loss of power, exceeding temperature range, etc.
- A vendor has direct control over their business.
- For the blind vendor, it evens the “playing field” with the “sight vendor”. The blind vendor can see what and how their business is doing through actual data, allows them to compete with other vendors, and allows them the opportunity to expand their businesses.
- The remote system helps remove all of the unknown factors about a vending machine.

How It Works:

- The seeds gets the data from the motherboard of the vending machine which is sent wirelessly through a cellular network to the Cantaloupe servers.
- Vending operator can access the data over the internet through the vendors own website in “real time”. The devices will report information from the vending machine **every 4 hours**.
- There is no software to install. The vendor is given a screen name and password.
- The vendor can run financial reports and do a financial analysis by item, route or machine. It will let a vendor know which products are selling and those that are not.

What are the costs?

\$260 per machine. Then there is a one time activation fee of \$9.00. This is pretty universal amongst all companies. There is a \$6.00 a month subscription fee which covers the cost of the cellular line plus access to the website.

In New Hampshire, the state assumes the costs of the hardware and the vendor is responsible for the subscription fees.

What is the repair warranty on the machines?

We guarantee any repairs on the machines for 3 years.

Mr. McPhaul recommended that a pilot program be done first by selecting 5 vendors who would use the new technology and compare their experience against 5 vendors without the hardware. It would help demonstrate the ROI for the program.

TRAINING/UPWARD MOBILITY—Delegate Murphy

A. Report on applicant review panel

Delegate Murphy reported that the subcommittee has started the reevaluation process of the application review questions. The subcommittee found there were a few questions that should have been included and others deleted to get better feedback about the training program in order to develop corrective actions, if and when necessary. The questionnaire should be completed by the next vendor review panel.

B. Report on about mentoring new vendors

The subcommittee is working on developing a mentoring program to help new vendors entering the program. One idea that is being explored is having the CVPC delegates take an active role in the mentoring program especially when a newly licensed vendor enters his or her district. This program is still in development and he hopes to present at least a general outline of what the subcommittee has been working on at the next CVPC meeting.

C. Report on training class

Delegate Murphy reported that the new training class has 7 trainees.

D. Report on new vending module

The next step for the subcommittee is to create a group of vending machine operators that will work closely with Bill Shirah to review and expand the training module on vending machines. He envisions that this group would be comprised of vendors from different types of locations (**i.e. prison, postal service, roadside rest areas**). This module is scheduled to be taught in April. He would like to set a meeting in early January 2007 and invite interested vendors including Bill Shirah. There may be some guest speaking involved during the training class from this panel of vendors.

E. Discussion with regard potential closing of road side rests

Delegate Murphy discussed the situation where some selected roadside rest areas will be temporarily closed for up to 3-6 months for mandatory ADA compliance upgrades to these locations by Cal Trans. The affected vendors have expressed many concerns including the ability to maintain their warehouses, leases and employees during this temporary shutdown. It was noted that some vendors may have to bid on some other location and give up their facility or "tough it out" during this time. Four vendors will be affected during the construction upgrades. The subcommittee found no relief or alternative options in the rules or regulations for the vendors to pursue in these types of situations.

Roy Harmon indicated that there is a law that states the location cannot be shutdown during the construction. The subcommittee is trying to find alternative options to help the vendors remain active and still obtain their group benefits when displaced at no fault of their own.

It was suggested that the vendor should submit a negative P&L to remain active. The location is still considered a viable business enterprise. The DOR's position is not to

displace or inactivate a vendor because they have been displaced.

MOTION 2006.041. Moved that any vendor who is displaced from his/her facility through no fault of their own, such as in the closing of a roadside rest for remodeling that would take several months, should still be viewed as an active vendor by BEP so that they will continue to receive medical and retirement benefits while the facility is closed down.

Moved: Delegate Murphy

Seconded: Delegate Begian

Vote: Passed Unanimously

VENDOR BENEFITS AND REVENUE ENHANCEMENTS— Delegate Griffith

Delegate Griffith reported that the subcommittee discussed increasing the life insurance death benefit to comply with expenses of modern times. There are currently 23 vendors that have elected the group life insurance. Some vendors have increase their policies to \$20K. There are instances where the family of the deceased vendor will still try to operate the facility to continue the source of income.

Action Item: Chair Hatch and Delegate Griffith will follow-up on the life insurance issue and try to come up with a motion to address this issue at the next CVPC meeting.

QUALITY LOCATION DEVELOPMENT— Delegate Evans

Federal Prisons. Mr. Westbrook has contacted other Program Administrators in other states to address the federal prisons situation and request “best practices” on how to approach and retain federal prisons within the program. He will continue to follow-through on the federal prisons because he understands the potential opportunity for the program. Currently, there are 3-5 viable federal prisons located throughout California that have the potential to be BEP facilities. The program is currently receiving commissions from these machines located in the federal prisons. One goal of the program is to have the vending machines located in the visiting room.

Steve Miller remarked that there is a clause or some language in the federal contract that states there could be a vendor, protected by the Randolph-Sheppard Act, soliciting for the contract as well. He does not recall if the DOR has ever pursued a federal contract in the middle of an existing contract. The DOR has given notice to some state prisons because of this “escape clause language” and thus was able to maintain priority.

Department of Transportation – Lack of Communication. Mr. Westbrook stated that the DGS and GSA will contact the program when there are potential BEP opportunities at both federal and state locations. They will usually notify the field offices. Mr. Westbrook has instructed Steve Miller to be a liaison between the QLDC and the DOR and he is to notify the CVPC-QLDC whenever a location opportunity is presented to the DOR.

Mr. Westbrook confirmed that the federal agency reporting the possible BEP opportunity will indicate in their communication how much time the DOR has to respond to their request. The minimum time to respond is usually **30 days**. DGS does not indicate a required response deadline because the program already has the priority; it is usually a decision as to whether or not the program wants the location.

Lawrence Livermore Lab – Federal Location - Mr. Westbrook remarked that the program was notified about this opportunity. The DOR will attend the site visitation. They are recognizing the BEP priority and has invited the DOR to facility. Mr. Westbrook indicated that the DOR looked at the facility about 5 years ago. They are definitely revisiting this opportunity.

Action Item: Mr. Westbrook will confirm with contracts if the program is currently receiving commissions from the Lawrence Livermore Lab.

Special Task Force. Chair Hatch and Mr. Harmon asked Mr. Westbrook if he would consider developing a special task force of vendors located in different sections of the state whose primary responsibility is to be on the alert for special opportunities or RFPs that may not reach the DOR through the GSA or DGS channel. The QLDC will explore this more in its subcommittee and bring some recommendations to the CVPC.

Facility Announcements. Chair Hatch commented on several facility announcements that were released for open bid recently but had some obvious missing information (**i.e. no name, no district, etc.**).

Action Item: Mr. Westbrook will forward all solicitations to Janis Friesen so the the CVPC has an opportunity to re-review it before release.

The 2 Los Angeles County Locations: Mr. Westbrook remarked that the DOR elected to close the two facilities and will be giving notice shortly.

Mr. Westbrook remarked that Steve Miller will be working closely with QLDC and will continue to forward any information regarding BEP location development to the subcommittee chair Delegate Evans.

LEGISLATION – Executive Committee

A. Status on enhancement proposal to Randolph-Sheppard Act

No report given.

PUBLIC RELATIONS AND CONVENTION—Delegate Bedikian

A. Report on 2006 CVPC Educational Conference

Mrs. Friesen read the subcommittee report. Delegate Bedikian gave a brief synopsis of what occurred at the 2006 CVPC Educational Conference.

Mrs. Friesen gave some data from the 28 surveys that were received:

- 22 vendors were “**very satisfied**” about the registration process
- 18 vendors were “**very satisfied**” with the speakers
- 23 vendors were “**very satisfied**” with the timing of the sessions
- 19 vendors “**agreed**” that the content of the conference sessions were appropriate and informative.

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- 20 vendors “**agreed**” that the conference was well organized.
 - A majority of the responders remarked that they would attend the conference again in the future.

Total for the conference: \$44,182.71
CVPC portion (food expenses): \$ 7,891.61
Set aside deduction : \$36,291.10

State Share was: \$7,730.

Costs per vendor was approximately: \$155.

B. MOTION 2006.042. Moved that CVPC sponsor an Educational Conference in 2007 to be held in San Diego.

Moved: Delegate Bedikian

Seconded: Delegate Hanlon

Vote: Passed Unanimously

The revised CVPC Bylaws went into effect December 7, 2006. The Training subcommittee will be responsible for organizing the CVPC Educational Conferences under the new Bylaws.

Delegate Murphy was concerned about the location of the next CVPC meeting. Delegate Hanlon reminded everyone that there are strict deadlines that need to be met especially with making hotels reservations, the bid process to procure an event planner, contracts that need to be approved and signed and the registration process – all take significant time and follow-up. Mr. Westbrook indicated that he should be able to get a fast response and approval from the DOR regarding the supporting funds and budget for the next educational conference.

Delegate Bedikian mentioned that he would like to see a greater presence of BEP staff. Mrs. Friesen confirmed that an invitation was sent to all BEP staff.

Mr. Friesen remarked that the Executive Committee should look into using some of the CVPC Convention funds and invest in a microphone/amplifier system for the conference speakers and presenters.

There were several people who the CVPC wished to publicly thank for their involvement in the 2006 CVPC Educational Conference and for volunteering their time and efforts to making it a reality.

Bill Shirah

Jack Bedikian

Frank Maestas

David Hanlon

Roy Harmon

Jeana Martin-Hanlon

Larry Iniguez

Paul Patche

Jeff Dierks

Joni Patche

Melissa Ungureanu

Andy Brown

Hazel Harmon

LA COUNTY TASK FORCE —Delegate Begian

A. Status report on LA County contract.

No movement has been made on the contract negotiations.
No report given.

DEPARTMENT REPORTS

Financial Report

Steve Miller reported that there is a draft budget plan with goals for the administrative budget and trust fund. One goal is to conduct live monitoring in the tracking of expenditures to prevent exceeding the budget. He will be utilizing software such as Quicken and begin tracking expenditures like new projects expenses, remodeling and equipment purchases. He will be routing all purchase documentation to himself so he can log everything into the accounting software and each month perform a reconciliation.

The DOR spends roughly \$1M on major service contracts for repairs on vending machines, refrigeration, etc.

The Department of Finance has announced that administrative costs will no longer be deducted from the set aside fund starting this 2006-2007 fiscal year. Approximately \$118,000 will now be available for the program to spend on needed equipment.

The DOR will be watching the budget very closely. He confirmed that he will continue to be sharing all information about BEP's budget and location development to the CVPC.

Upcoming Projects:

Point Loma Steve Miller met with contractors recently that will be installing a modular building on the top of the ridge which will provide direct access off the road.

- There are approximately 3000 cars that pass by on the way to the Lighthouse and National cemetery.
- There is lots of traffic with runners and bikers.
- He feels this a great opportunity for a vendor.
- The location is in a historical location.
- There is an issue that needs to be addressed regarding the program receiving commissions from several vending machine that is on the property.

**Mission
Valley State
Building**

- The program is in negotiations to establish a BEP location.
- It has the potential to be a small vending machine facility for the building. They would add sufficient vending machines throughout the property to increase revenue.
- The goal is for the location to generate at least the earning potential of \$3000 – \$3500 net income monthly.
- There is a large area for storage.
- **Potential drawback:** There is large competition about 3-4 minutes in the shopping center nearby.
- There is about 650 occupants in the building.
Typical state building.

**Federal
Building in
SF**

- Wet vending facility with vending machines on the 10th floor.
- 1600 people in the building.
- Cafeteria will be on contract, outside of the building, on the corner of 7th and Mission. It will be operated by a privately-owned company.
 - ***What is the criteria to determine whether a cafeteria is contracted or under permit?***
- Vendor would be right in the main entrance of the building. People can only come and go through this point of the building.
- Great opportunity for a vendor.
- Location announcement is ready and will be released toward the end of the year 2006.
- Will begin occupying the building in March 2007.

**Hiram
Johnson
State
Building**

- Will be an espresso wet stand facility.
- It is in the same general space as the cafeteria.
- Vendor will provide complimentary goods and services.
- On 12/21/06, Colleen will be attending the tenants meeting.
- Location announcement is expected to be posted around the same time as the Federal Building around the end of 2006.
- Equipment is currently being installed and will be completed by the 15th of December 2006.

**Roadside
Rest Areas**

- Department of Transportation will begin construction on Gold Run Roadside Rest Area.
- This will be a new roadside rest area for the program.
- Donner Roadside Rest Area is expected to be later in the year.

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- Marysville**
- Department of Transportation facility with 760 occupants.
 - 760 occupants are onsite on a full-time basis.
 - DOR requested that building management develop policies to help support and drive business to the vendor on site.
 - Vendor can have exterior signage to help draw attention and business from outside traffic.
 - Looking into possible after hours operation.
 - Brand new building
 - All occupants will be in one location.
- Fresno Courthouse**
- Location development placed on hold due to budget constraints but the DOR is ready to go.
- 120 N Street**
- Cal Trans Project is stalled
 - Equipment in the warehouse will be used and available for other development projects

Steve Miller gave a general overview of how the different funds work. Vending Facility Trust fund is a separate account earning interest on it own from the money that is in. It reimburses the state from the money it has spent under DOR.

The Vending Machine Trust fund is a separate account.

The General fund is reimbursed from the trust fund at approximately 21.3%. The federal match comes from federal dollars. The federal fund goes into the general fund along with the trust fund contribution. Payment is based on the general fund. The fees have to be collected in order to get the federal matching funds.

Steve Miller has a plan in place to alleviate the delinquent MORs and payments. He will be training his staff on the plan and its implementation. There will be 3 notices sent – a 30-, 60-, 90-notice. If the vendor has not been responsive to the 90-day notice, a copy will be sent to the Program manager who will recommended administrative action. Administrative action can lead to the suspension or termination of a vendor's license.

Mr. Miller mentioned that although the collection of fees is one way to increase the fund, the primary goal of the program is to find other ways to increase revenue and sales among BEP facilities through

developing better facilities, remodeling, and proactively procuring new business opportunities.

Legislation/Regulations Report Program Manager's Report

Mr. Westbrook remarked that Larry Iniguez is leaving BEP and is being promoted within the DOR. Mr. Westbrook is actively looking for his replacement. They are looking to possibly "upgrading" the position but the odds of it being approved "looks slim".

Jenny Garcia accepted the position as Executive Assistant to Gary Leete, Deputy Director and will be working in the Executive Office of the DOR. The position announcement has been posted and the filing deadline was December 5, 2006. They will be contacting qualified candidates for interviews next week.

Mr. Westbrook did not confirm the rumors surrounding his possible retirement in 2007. He has been in state service for 35 years.

Special election for District 3 received 2 self-nominations. Ballots were sent out and are due back by December 17th. There should be a new delegate in place by the end of the month.

DISTRICT REPORTS

District 1 – No report given.

District 2 – No report given.

District 3 - No district representation.

District 4 - Delegate Griffith reported:

- Carl Mendez recently passed away.
- Tom Tabor after 29 years, has resigned his location and is retiring. He is going back to school to pursue another career.
- John Friesen has retired.
- There is a new vendor at the Department of Justice, David DeFauzio.
- The Sacramento BEC is having a special training session for vendors regarding distributors and manufacturers of healthy food products.

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- Ron Long is doing well at his new location. He is now open for business.

District 5 - Chair Hatch mentioned that he wanted the CVPC to keep a vendor in his district in their thoughts and prayers as he is on a waiting list for a liver and pancreas.

District 6 - No report

District 7 - No report

District 8 - No report.

District 9 - Delegate Collins remarked that the location announcement CIW has been released and there are 8 vendors competing for the location.

District 10 - Delegate Hanlon reported that Ken Croxtin is out of the hospital after 3 months and is slowly recovering but doing well.

- John Mayer is very happy about the future of his location.
- Frank Maestas won the San Diego Police Department location.
- Heidi Chae, a recent BEP training graduate, is at the interim location at the Cal Trans building, Ron Long's previous location.

NEW BUSINESS

No report.

OPEN FORUM

Mr. Harmon commented that at the last CVPC meeting a RSVC representative asked John Westbrook that when the new building is occupied by BEP, if the program would consider setting up an "honorary wall of recognition" for vendors who have served in the California BEP. John Westbrook did confirm that they have considered the idea and will develop the honorary wall at the new DOR location.

For the retirement committee, there will be 2 outside vendors and 1 CVPC vendor on the committee. The CVPC member selected was

Joe Murphy and the other vendors were Steve Burley and Roy Harmon.

Steve Miller would like to see materials and other communications converted in MS Word, placed on CDs (in place of disks and tapes), and transmitted via email. He would like to explore alternative methods of getting communications to vendors in their preferred medium. He will work with the Executive Committee on this issue.

If a facility is generating less than **\$2K estimated bottom-line**, the location announcement will continue to have the “primary and secondary location” selection option. Vendors will still have the option to apply for the location and could add it to their existing business enterprise.

Mr. Westbrook mentioned that the DOR will be strongly looking into the new technology presented earlier in the meeting and using it in the program to help vendors with managing their vending machine businesses remotely. They are currently piloting the technology with some participating vendors.

ADJOURNMENT

Mrs. Friesen remarked that the next CVPC meeting will be in mid-February 2007 in Los Angeles.

MOTION 2006.043. Moved to adjourn at 5:25 p.m.

Moved: Delegate Murphy

Seconded: Delegate Hanlon

Vote: Passed Unanimously

SECTION 1

Email Communication From Tony Candela in Regards to Pro-Rata Expenditures from the Set-aside fund
