
**CALIFORNIA VENDORS
POLICY COMMITTEE
(CVPC)**

**Meeting Minutes
December 9, 2004**

CALIFORNIA VENDORS POLICY COMMITTEE

Location: Department of Rehabilitation in Sacramento, California

Meeting commenced at 9:08 am, Thursday, December 9, 2004.

ROLL CALL

Delegate Murphy called the meeting to order at 9:08 am and began by taking a roll call. Meeting is in compliance with November 1995 Motion 95.212 disclosure requirements for delegates.

There were ***eight (8) delegates*** in attendance, which satisfies the requirements of a Quorum.

Delegates in Attendance

District	Delegate	Location
District 1	Russell Kishida	California Public Utility Commissions, San Francisco Interim: H. Johnson Cafeteria
District 2	Joe Murphy	Turlock Roadside Rest Area, Vending Machine Facility.
District 3	Paul Patche	Carol Miller Justice Center, 301 Bicentennial Way, Sacramento.
District 4	Frank Rompal, Jr.	East End Project, Sacramento Interim: Ventura County Government Center.
District 5	Alice Johnson	Mule Creek State Prison and Sierra Conservation Center
District 6	Jeana Martin-Hanlon	California State Prison, Lancaster
District 9	Patricia Evans	California State Prison in Chino
District 10	David Hanlon	Dave's Snack Bar in Spawar (San Diego)

Absent

District 8	Al Barnes <i>(no alternate present)</i>	LA County Superior Courthouse Interim: Pasadena Superior Court
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Vacant Districts

District 7 – vacant position

INTRODUCTION OF STAFF

John Westbrook – BEP Program Manager

Jean Walker – Assistant Program Manager

Janis Friesen - CVPC Executive Secretary

INTRODUCTION OF GUESTS

Ricardo Green – delegate that served in the previous CVPC term. Mr. Green currently has the vending machine facility at the Vacaville State Prison for Men in Vacaville, California.

Ron Long – current vendor at the Ziggurat Building in Sacramento.

Nicole Smith - contractor taking the Meeting Minutes

MINUTES – Recommended Action

Approve the minutes of the CVPC meeting held on September 16 2004

MOTION 2004.017. Moved that the committee accept the minutes as distributed for the September 16, 2004 California Vendors Policy Committee meeting.

Moved: Delegate Johnson
Seconded: Delegate Patche
Absent: Delegate Barnes
Vote: Passed Unanimously.

Response to CVPC Motions of September 16, 2004 Meeting

John Westbrook reported that the responses to the CVPC motions for the September 16, 2004 meeting have been completed but have not been distributed to vendors. The responses to the motions will be sent out after the meeting.

Action Item: Mr. Westbrook will notify Janis Friesen and the CVPC when responses are delayed or have not been dispersed to vendors before scheduled CVPC meetings.

EXECUTIVE OFFICERS REPORTS

Report of the Chair

Chair Rompal reported that there were no new CVPC activities since the last meeting. Nothing reported during this session of the meeting.

Report of the Vice Chair

Report of the Vice Chair

Delegate Murphy was unable to attend the last BAC meeting due to schedule. Nothing reported during this session of the meeting.

Report of the Secretary-Treasurer

A. Blind Advisory Council

Delegate Evans reported that the next BAC meeting is tentatively scheduled for January 18, 2005. She urged members of the CVPC to participate and one convenient way to attend these meetings is via conference call. Funding is available for travel reimbursements for CVPC delegates.

B. Convention Fund Balance

Mrs. Friesen reported that the balance of the Convention Fund is \$6998.18.

Delegate Evans reported that she received cash from a previous convention in the amount of \$221.76 to deposit into the Convention fund. Delegate Evans suggested

using these funds to help pay for the proposed website for CVPC.

The delegates exchanged ideas on the best way to manage the designated CVPC bank accounts and who will be the future signers on the account. It was suggested that two of the three signers should be located in Sacramento.

Action Item: Delegate Evans and Delegate Johnson will meet to manage the logistics and open a new account. Joe Xavier will need to be removed from the account. One account is designated as RSVC – Convention; the RSVC is an inactive group. The account designated under this group will eventually need to be closed. The checkbook will also need to be replaced.

The delegates agreed that there should be an efficient and effective system in place to manage the accounts to fund future CVPC activities such as the “benevolence fund” for deceased vendors, the CVPC website, and any expenditures concerning the Educational Convention. There needs to be a long-term solution to pay for future CVPC activities.

Action Item: In their next meeting, the Executive Committee will discuss other accounting options and long-term solutions to fund future CVPC endeavors.

Delegate Patche announced that Rudy Fontes has passed away.

EXECUTIVE COMMITTEE REPORT

Chair Rompal reported that there were no scheduled meetings with Director Campisi since the last CVPC meeting.

Delegate Evans suggested that the Executive Committee meet with the Director at the beginning of the year to share CVPC concerns and issues. Delegate Evans commented that the DOR should be aware of the lengthy delays in

resolving pending issues that affect CVPC business and BEP vendors.

Delegate Murphy collected potential agenda items from the committee throughout the meeting. He also asked that any topics of discussion for the next meeting with the Director be forwarded to the Executive Committee.

EXECUTIVE SECRETARY'S REPORT— Janis Friesen

No report given during this section of the meeting.

COMMITTEE REPORTS

GRIEVANCE—Delegate Kishida

A. Report on Pending Grievances

Delegate Kishida reported that there was one grievance that has been resolved and the vendor was notified of the results of the informal hearing. There has been no subsequent action on behalf of the vendor since the hearing.

Mr. Westbrook summarized the grievance where a vendor claims that he has lost \$225,000 in future income because BEP closed the location that he was operating as an interim for 3 months. Several vendors were interviewed by building management. No vendor was selected to operate the location.

Since the last CVPC meeting of September 16, 2004, there have been no new grievances filed.

Delegate Evans recommended that the CVPC be given an overview of the decisions made by the DOR grievance committee.

BUDGET AND FINANCE—Delegate Patche

A. Status report of proposed new fee schedule

Mr. Westbrook reported that the revised fee schedule has been approved by the Accounting Department and is now in

ISS Department for implementation. An estimated time frame for completion has not been determined. He mentioned that the department is short staffed and this project may be delayed.

STANDARDS AND PROCEDURES—Delegate Evans

A. Review of election procedures

Delegate Evans mentioned that because of short staff issues in several departments, many issues that are pertinent to CVPC are either pending or are not being addressed.

B. Status of BEP Regulations

Mr. Westbrook announced that the Legal Department has assigned Seth Brunner to review the BEP regulations. He has started reviewing the ***Military Partnership*** of the Regulations. He will also keep Delegate Evans informed of the sections of the BEP regulations that are being reviewed along with expected completion dates.

C. Attachment I on Facility Announcements

Mr. Westbrook commented that the DOR has ***no authority*** to enforce Attachment I, which states that a “vendor must submit a vending facility plan as specified within 30 days of applying, otherwise it can result in a disqualification of the applicant.” All announcements no longer will include Attachment I.

Recommended Action

D. Recommendation for determining which CVPC District multi site facilities are represented by.

Delegate Evans will meet with her subcommittee to discuss this issue further and will request additional action on behalf of the CVPC.

The delegates discussed and commented on the inactivity of pended items that have been delayed for months, even years. Some delegates agreed that the CVPC may need to be more aggressive and work closely with the DOR to see

that issues get a priority, finalized and completed in a timely manner.

Chair Rompal and Delegate Evans expressed their disappointments with the inactivity experienced and remarked that delegates and vendors have invested and volunteered their time to projects and tasks to help improve the BEP program. She would like to see the CVPC and DOR work together as a partnership. She also reiterated that the program is placing itself in risk by continuing to do business without the BEP rules and regulations finalized.

MOTION 2004.018. Moved that the Executive Committee of CVPC meet to determine in a priority fashion how CVPC can proceed with these paralyzed issues that are currently on the table.

Moved: Delegate Hanlon
Seconded: Delegate Johnson
Absent: Delegate Barnes
Vote: No vote taken motion tabled.

MOTION 2004.019. Moved to table motion 2004.018 until after break.

Moved: Delegate Evans
Seconded: Delegate Johnson
Absent: Delegate Barnes
Vote: Passed Unanimously.

The CVPC delegates agreed that before the committee can proceed and work on more issues, the pending issues need to be resolved in a timely manner. There was a lengthy discussion on how the best ways to work effectively with the DOR and its Legal Department and still maintain a working partnership.

Janis Friesen will coordinate a conference call between the Executive Committee (comprised of Chair Rompal, Delegate Murphy, Delegate

Evans) to prioritize the pending issues and how to proceed on those issues.

MOTION 2004.020 Moved that the CVPC Executive Committee formulate a brief letter instructing DOR Legal department that CVPC wants to have a private Attorney to handle the issue at hand and that it should be sent today.

Moved: Delegate Murphy
Seconded: Delegate Evans
Absent: Delegate Barnes
Vote: Passed Unanimously.

MOTION 2004.020 Re-read with Friendly Amendment. Moved that Janis Friesen response via email to the question posed by DOR Legal department that CVPC wants to have a private Attorney to handle the issue at hand and that this email should be sent today, 12/19/2004.

Moved: Delegate Murphy
Seconded: Delegate Evans
Absent: Delegate Barnes
Vote: Passed Unanimously

Before the contract is written, Mrs. Friesen will meet with the Executive Committee for final contract specifications and details on the scope of work. Mrs. Friesen confirmed that once the contract has been drafted and approved, the contract would be forwarded to the selected attorney for approval and signature.

The expected timeframe to have the contract approved and finalized by the legal department is by the ***first week of January.***

MOTION 2004.018. Re-read with Amendment: Moved that the Executive committee need to determine in a priority order how we can proceed on issues that are paralyzing the current working of the Committee (i.e. move the Rules and Regulations, hire the attorney and the fee schedule etc.)

Moved: Delegate Hanlon
Seconded: Delegate Johnson
Absent: Delegate Barnes
Vote: Passed Unanimously

TRAINING/UPWARD MOBILITY—Delegate Murphy

Delegate Murphy stated that the new training class started on October 4. The class began with 13 students and now 11 students remain in the training class.

VENDOR BENEFITS AND REVENUE ENHANCEMENTS— Delegate Evans

A. Kaiser Working Age Program

Delegate Evans announced that Kaiser has a new health insurance program for people on Medicare or 65 years or older; this insurance will supplement Medicare.

B. Liability Insurance for Vendor initiated contracts

Delegate Evans and Mr. Westbrook reiterated that a vendor will be held responsible in ensuring that a Certificate of Insurance covers any outside vendors or subcontractors that are used for services. The vendor should report to his or her BEC any subcontract that they use and have a certificate on file at the DOR.

Mr. Westbrook reported that the DOR is actively collecting this information from vendors. Delegate Evans warned that if this policy is not reinforced to vendors the BEP can be left liable and could be in jeopardy of losing coverage.

There was also discussion regarding vendors outsourcing to private sector companies to operate their BEP locations.

There are some vendors who do not directly manage their locations because he or she may subcontract or outsource this activity. Some vendors are not onsite at their locations and this activity is causing some concern on behalf of the DOR because of the liability issue. CVPC believes that a vendors should be onsite or at their facility at least 5 days per week. This outsourcing activity may also directly affect the vendors' retirement fund because certain fees are not being paid or collected. There are some state laws that govern the CVPC that could be in jeopardy if there is no accountability on behalf of the vendor.

Chair Rompal commented that some vendors could argue that if such stringent rules and regulations are placed on how vendors operate and manage their location, the line between independent business owner and state employee will be crossed. Vendors are not employed by the State.

Delegate Evans will discuss further in her next subcommittee meeting and will present a position for CVPC on this issue.

C. Open Enrollment for Health Insurance

Delegate Evans reported that open enrollment for health insurance was in November 2004. All vendors should have received information and an enrollment packet detailing the benefits of the various health insurance options.

D. Change in deductible fund for BEP Property & Crime Insurance

Delegate Evans will meet with her subcommittee to discuss this issue further. She will come equipped with more details and a proposal (recommended action) to the next CVPC meeting.

Mrs. Friesen added that the current commissions collected year to date is \$172,194.19. These are fees collected from July to October 2004.

QUALITY LOCATION DEVELOPMENT—Delegate Rompal

A. Franchise Tax Board

Chair Rompal reported that the first phase of development is scheduled for next year 2005.

B. Status Report on SRRA

1. Priorities 1, 2 & 3

Mr. Westbrook reported that 12 roadside rest areas are currently being developed by Caltrans. Caltrans has been keeping BEP well informed and abreast of any new developments. Mr. Westbrook will be meeting with Caltrans in the near future to discuss plans for the remaining roadside rest areas. Funding is available for the remodeling. BEP may have to complete the electrical installation of the rebuild.

He also commented that there are several locations that will be great for vendors to pursue.

C. Status report on federal prison facilities

Nothing reported during this session of the meeting.

D. Status report on California Youth Authority facilities

Nothing reported during this session of the meeting.

E. Status report on Susanville & Corcoran State prisons

Delegate Martin Hanlon presented a proposal to create an Ad Hoc committee that would act as a support and mentoring group to vendors who currently have state prison locations. She reported that vendors who manage these locations are experiencing unique issues and concerns. Participation in the group would be optional. The meetings held would give vendors an opportunity to discuss issues, exchange ideas, and share success stories.

Delegate Evans commented that is a great effort to bring together members of the vendor community but each prison location has its own unique problems. Each location has vastly different rules and regulations.

LEGISLATION—Delegate Rompal

A. Senate Bill 74 – Bill mandating 50% sold in vending machines have nutrition value

Chair Rompal reported that this proposed bill is “dead” and no further activity or action has been reported. It does have the potential to be reintroduced in the future.

Mrs. Friesen read an article that described the situation where schools are losing up to \$1000 per day due to the ban on soft drinks in schools. In summary, the “junk food ban proves costly.” Many of the after school programs and extracurricular activities that once depended on the extra income from these food sales are being directly affected by the ban.

PUBLIC RELATIONS AND CONVENTION—Delegate Hanlon

A. Status report on 2005 CVPC Educational Conference

Delegate Hanlon reported there is an official contract with the Hilton Hotel in Sacramento and the proposed dates for the conference are October 14 –16th, 2005.

Because the site and date have been confirmed, he would like to see the initial invites and flyers promoting the conference be sent out by the end of January 2005.

Delegate Hanlon thanked Delegate Johnson for participating on his subcommittee and her dedication and contributions to the CVPC. Delegate Johnson will be officially retiring from the program this year.

B. CVPC Website

Delegate Hanlon reported that the CVPC website has been created by Mrs. Friesen and funds will be needed to pay and support this new website. It is set to go online.

DEPARTMENT REPORTS

Financial Report

Legislation/Regulations Report

The financial report is detailed in the Program Manager's newsletter that is distributed to all vendors.

Program Manager's Report

Personnel Announcements: Mr. Westbrook announced that Jean Walker will be leaving the department on December 16, 2004. She received a promotion as a Regional Manager for CalPERS in San Diego.

He mentioned that she was great asset to the DOR and she will be missed. He is currently actively pursuing her replacement to in order to minimize the disruption of services. Mrs. Walker is currently working on several projects including the Operational Desk Manual that will be completed before her departure. The manual will detail and clearly outline the expectations and role of the BEC.

Revised Location Review Form: Mr. Westbrook clarified that the role of the BECs has not changed. They are to be in the field contacting vendors and acting as business consultants. Vendors have complained about the new procedures indicating that it appears to be an audit.

Mr. Westbrook confirmed that there have been some new procedures implemented and forms revised that will increase BEC accountability and effectiveness while in the field. He reiterated that the BECs are to assist the vendor and provide the necessary consultations and business advice to help develop the vendor's business. Often the BEC will need to review the vendor's current business practices. The new form can help anticipate potential problems and can alert BEP when a vendor is experiencing financial difficulties. Mr. Westbrook reiterated that the BEC review is not an audit.

Action Item: The **Location Review Form** is still undergoing revisions. Mr. Westbrook will send a draft of the form to Delegate

Evans for review and to present to the CVPC. Also on the form, there is an area specifically for vendors to make comments, positive or negative regarding the BEC contact. Mr. Westbrook will also ensure the BECs call the vendor for a set appointment.

Mr. Westbrook commented that the county locations will be transferred to the state but this process has proven to be very slow. There are many issues that need to be addressed before the transition such as the outstanding bond that the county still owes, the damaged county buildings, etc. He predicts that the transition will not occur until 2006. Vendors could benefit from this transition because some expenses such as rent and utilities will be eliminated. Vendors would also be protected under state and federal laws.

Mr. Westbrook also reported that the hiring barriers have been lightened and that the BEP received approval to fill the clerical position in Southern California.

Mr. Westbrook also mentioned that DOR has had to make some hard decisions, one of them being not to pursue large cafeteria locations. Over the years, data and experience has revealed those cafeterias are no longer profitable unless there is a large building population. A cafeteria operation is labor intensive and is becoming difficult to keep employees. There is constant employee turnover. In addition, vendor participation and interest in pursuing cafeteria locations have declined dramatically over the years.

The goal of the program is to offer locations that would provide a good income for vendors with an opportunity for growth and expansion. Before any decisions are made, Mr. Westbrook will keep the QLDC and CVPC informed. The DOR will need the CVPC's input and support on any decisions that directly affect a vendor or location.

Mr. Westbrook confirmed that funds for repairs are now being matched with federal funds.

DISTRICT REPORTS

District 1 – Delegate Kishida reported the BECs are making an extra effort to assist vendors and the service has improved despite the

closing of the Oakland office. Steve Christian has been awarded the Tracey Prison location.

District 2 – Delegate Murphy wanted to know what a vendor should expect in terms of retirement distributions. He also mentioned that service calls and equipment repairs have improved. The BEC is doing a good job out in the field with vendors.

District 3 – Delegate Patche reported that there are still complaints regarding the response times for equipment repairs.

District 4 - Chair Rompal had no report at this time.

District 5 – Delegate Johnson announced her retirement from the program and resignation from her current locations. She remarked that the program has been good to her, is grateful for it and appreciates working with everyone. She also commented that the current BEC, Greg Seib, is doing a fantastic job in her area.

District 6 – Delegate Martin-Hanlon reported that Don Washington who is the repair contractor in her area has returned and continues to be very responsive to service calls. Joy Robinson is the new vendor at the AFB and is reported to be doing a great job at that location. She also proposed the ad hoc committee for vendors who currently have prison locations.

District 7 – vacant.

District 8 – Delegate Barnes was absent for this meeting.

District 9 – Delegate Evans would like to see preventative maintenance as a requirement in the next Master Service Agreement. She would also participate via conference call in the next ad hoc meeting proposed by Delegate Martin-Hanlon.

District 10 – Delegate Hanlon commented that the BEC's Marilyn Harder and Ken Okin are doing a good job along with the Office Technician (OT). Ezell Carroll seems to really enjoying her new location with the new teaming partner and he is happy for her. Ron Long was selected for a new location. He and Delegate Martin-Hanlon will be attending the Sagebrush Convention in February.

NEW BUSINESS

No discussion.

OPEN FORUM

Chair Rompal thanked Jean Walker for her dedication and commitment to the program. On behalf of the CVPC, he wished her the best in her new role with CalPERS.

John Westbrook remarked that he visited several roadside rest areas along the I-5 and all the machines were in excellent condition. His only comments were the inconsistencies with the pricing. They were vastly different between the roadside rest areas.

Ricardo Green commented that he appreciated the all the hard work the CVPC is doing on behalf of the vendors and hopes the CVPC and DOR can work more effectively together.

ADJOURNMENT

Chair Rompal commented that the next meeting will be scheduled during the first week of March 2005.

MOTION 2004.021. Moved to adjourn at 2:07 p.m.

Moved: Delegate Patche
Seconded: Delegate Kishida
Absent: Delegate Barnes
Vote: Passed Unanimously
