
**CALIFORNIA VENDORS
POLICY COMMITTEE
(CVPC)**

**Meeting Minutes
September 16, 2004**

CALIFORNIA VENDORS POLICY COMMITTEE

Location: Department of Rehabilitation in Sacramento, California

Meeting commenced at 9:00 am, Thursday, September 16, 2004.

ROLL CALL

Delegate Murphy commenced the meeting by taking a roll call. Meeting is in compliance with November 1995 Motion 95.212 disclosure requirements for delegates.

There were ***nine (9) 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 8	Al Barnes	LA County Superior Courthouse Interim: Pasadena Superior Court

District 9	Patricia Evans	California State Prison in Chino
District 10	David Hanlon	Dave's Snack Bar in San Diego

Vacant Districts

District 7 – vacant position

INTRODUCTION OF STAFF

John Westbrook – BEP Program Manager

Jim Armstrong – Program Manager, Blind Services

Jeff Garcia – BEP Consultant

Janis Friesen - CVPC Executive Secretary

INTRODUCTION OF GUESTS

Ron Long - vendor

Tom Evans – vendor located in San Jose

Nicole Smith - contractor taking the Meeting Minutes

MINUTES – Recommended Action

**Approve the minutes of the CVPC meeting held on June 3, 2004
Response to CVPC Motions of June 3, 2004 Meeting**

MOTION 2004.011. Moved that the committee accept the minutes as distributed for the June 3, 2004 California Vendors Policy Committee meeting.

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

EXECUTIVE OFFICERS REPORTS

Report of the Chair

A. Update on Strategic Plan

Chair Rompal participated on the work group directly involved on the Strategic Plan for Blind Field Services in an effort to create and achieve the Department's "Vision". The work group's efforts are commendable and their main goal is to set up fully operational and efficient systems to serve both the visually and hearing impaired communities. The strategic planning work group is committed to finding ways to help and improve the existing BEP and other DOR programs.

Chair Rompal commented that this group is devoted to the future of the BEP program and on improving the network and access to information for employers interested in hiring visually and hearing impaired persons.

Jim Armstrong added that this work group's intentions are to maximize the use of Blind Field Services, with a large focus of getting clients employed. The Strategic Plan is now available for review.

Action Item: All interested delegates who are interested in receiving a copy of the Blind Field Service's Strategic Plan should give Janis Friesen their email addresses. The Strategic Plan is available via email.

Delegate Evans proposed placing detailed information about the program, processes, forms and procedures on the DOR website for counselors, clients, trainees and employers to access. Mr. Westbrook added that there is a step-by-step procedure manual (handbook) for counselors.

Action Item: Mr. Armstrong and Mr. Westbrook will research the possibility of placing this handbook, including all required forms, online (or on the DOR shared network) to be made available to all counselors.

Chair Rompal announced that Senator Henry Mello had recently passed. Senator Mello is remembered as supporting the program and consistently passed legislation that was favorable to the senior population and blind community. Chair Rompal felt that his efforts should be acknowledged by giving a small donation to his foundation on behalf of the CVPC.

Delegate Hanlon proposed to initiate a “benevolence program” for deceased persons who supported the program and/or who positively impacted the visually impaired community in some way

Report of the Vice Chair

A. Report of the Vice Chair

Report of the Secretary-Treasurer

A. Blind Advisory Council

Delegate Evans attended the last BAC meeting via conference call. The CPR (California Performance Review) was discussed extensively. According to the CPR, the DOR possibly will be placed under a larger, “mega” department called the Department of Labor and Workforce Development. The group discussed how the transition would affect the DOR and other agencies. The goal is to streamline processes and eliminate duplication in the state government.

Jim Armstrong expressed his concern that the new division may not be familiar with the program and its needs. The transition seems eminent but an estimated start date has not been set. Mr. Armstrong reiterated that the program funding would be protected.

B. Convention Fund Balance

Delegate Johnson reported that the balance of the Convention Fund is \$6986.35.

EXECUTIVE COMMITTEE REPORT

Chair Rompal reported that an Executive Committee meeting was not held this quarter.

One major item of concern is the proposed DOR transition under a larger state division. Delegate Evans commented that Dr. Campisi might be able to offer more insight into how this transition may affect the program and subsequently the vendors. She also reminded the delegates that if they have any further concerns or questions, the CPR can be contacted via email.

Delegate Murphy asked that any potential agenda items for the next meeting with the Director be forwarded to the Executive Committee.

EXECUTIVE SECRETARY'S REPORT— Janis Friesen

Janis Friesen distributed several documents about the national trends on other Vending Facility Programs in the U.S (***See Attachment 1 – Vending Facility Program Data and the 2002 Annual Report on Randolph-Sheppard Vending Facility Program***). Mrs. Friesen also reported on the following:

- ◆ Chair Rompal's restaurant, Joey B's, was voted "Best Sports Bar" in Sacramento by "Spirit" Southwest Airlines magazine.
- ◆ The proposed relocation to downtown Sacramento was postponed to 2007.
- ◆ The Oakland BEP field office will be closing.
- ◆ There are several concerns arising from the Pomona Superior Courthouse between building management and a vendor.

Chair Rompal read a letter from the Legal Department. They needed several items before pursuing a contract with the recommended attorney Kent Spieller. The Legal Department wanted to know more information about the contract such as the scope of services, rates, qualifications of the attorney, and a copy of a previous contract.

Kent Spieller has represented the CVPC in the past, is very familiar with the program and has also done some legal work for several vendors. Mr. Spieller comes highly recommended and is being selected by the CVPC to address the following issues about:

1. Regaining the exempt status previously imposed on the program by the Finance Department.
2. Investigating and ceasing the \$175,000 per year expenditure from the set aside fund. Define and research the legal responsibility on behalf of the DOR to report these and other expenditures to the CVPC for review and approval.
3. Researching as to whether or not San Francisco's Living Wage Ordinance is applicable or pertains to BEP vendors.

With the CVPC approval's, Chair Rompal and Mrs. Friesen will respond to and address the issues from the Legal Department in order to proceed with the retention process of Kent Speller.

MOTION 2004.012 Moved to that CVPC agrees that there is no conflict of interest with Kent A. Spieller and that all CVPC members are aware of previous work done by said Attorney on behalf of many Vendors and would like to proceed with Motion 2003.052

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

COMMITTEE REPORTS

GRIEVANCE—Delegate Kishida

A. Report on Pending Grievances

Delegate Kishida reported that there were two new grievances since the last CVPC meeting. The first grievance concerns a vendor who was assigned an interim facility that was extended beyond 6 months. Vendor has been notified of the decision and is satisfied with the Department's decision.

The second grievance was received on September 3rd and is still pending. It concerns a vendor in Southern California who accepted a facility, investing some of his own money in order to keep it operating. The vendor filed a grievance stating that he is financially tied to the facility while the BEP may be closing the facility at the building manager's request. The vendor accepted the facility after two previous vendors tried operating it.

Mr. Westbrook indicated that the BEP makes every effort to keep a facility open. One of the main criteria for keeping a facility operating is its financial viability and profitability to a vendor. If a vendor can make at least \$2000 per month, a facility is considered financially feasible to remain open and operating. The BEP reviews other options such as investing funds into remodeling a facility and/or increasing (or reducing) the size of the operation. The last option is complete closure of a facility.

Delegate Evans recommended that anytime a location is being considered to close, the issue should be addressed to the CVPC for review and for subsequent action. Delegate Evans reiterated that in these cases, the BEP regulations and procedures must be closely followed. If not, the DOR leaves itself open to potential challenges to decisions and grievances.

BUDGET AND FINANCE—Delegate Patche

Proposed new fee schedule

Currently, the fee schedule is awaiting programming changes from ISS. Once these changes are made the fee schedule could be implemented.

Mr. Westbrook confirmed that it should reach final approval before the next CVPC meeting. He also reiterated that the proposed changes have no affect on the BEP's bottom-line.

STANDARDS AND PROCEDURES—Delegate Evans

A. Review of election procedures

Delegate Evans has not been able to meet with her subcommittee due to injury. Nothing reported at this time.

B. Status of BEP Regulations

Delegate Evans reported that Mike Davis who is responsible for reviewing parts of the BEP Regulations has returned from a leave of absence. She commented that the Legal Department has recommended that the BEP regulations be divided into parts, however they gave no timeframes of when each part will be addressed or completed. Definitions are top priority.

Delegate Evans wants this issue to be an agenda item in the next meeting with the Director and DOR staff. She commented that if the BEP Regulations are not finalized and closely followed, it can be a serious liability and leaves the DOR open to many potential grievances. She warned that any decision could be contested because the BEP regulations were not being followed. She reminded the CVPC that the Operations manual could not override the Regulations. The BEP regulations have been an ongoing project for many years, with many people volunteering their time to get them finalized.

Delegate Evans added that the only way to get some type of immediate response or time commitment is to file a grievance.

Action Item: Delegate Evans will address BEP regulations in her upcoming subcommittee meeting. Mrs. Friesen will place this on the agenda for the next Executive Committee meeting with Dr. Campisi and staff.

C. Attachment I on Facility Announcements

Delegate Evans reported that this is not enforceable, again because it is not address in the BEP regulations.

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

Delegate Evans recommended that the CVPC address the issue of multiple site facilities and how the primary facility is determined. The issue pertains to the vendor who has multiple vending machine routes or multiple prison facilities; these facilities are often located in different districts. The primary location is currently determined by the DOR. Delegate Evans would like this issue to be addressed, with actual guidelines or procedures instituted.

TRAINING/UPWARD MOBILITY—Delegate Murphy

A. Report on the Applicant Review Panel.

Delegate Murphy reported that there were two sessions of interviews that were conducted. There were 16 candidates interviewed for the next upcoming training class; 14 were selected. The next training class starts on October 4, 2004 through May 29, 2005. Trainees will be trained on managing all operations that exist within the program – cafeteria, vending machines, and snack bar.

Delegate Murphy commented that the upcoming class is “very sharp”, diverse, and have different backgrounds and experiences. He also noted that one of the candidates selected was a manager of a CoCo’s restaurant and brings a wealth of experience and knowledge. Another vendor selected had started several successful businesses in various industries.

Action Item: Chair Rompal will attend the first class and address the new class personally to talk about the CVPC and the program.

**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. Additional

information will be obtained from Cathy Wood and will be presented at the next CVPC meeting.

B. Liability Insurance for Vendor initiated contracts

Delegate Evans and Mr. Westbrook explained that liability insurance for vendor-initiated contracts continues to be a concern for the DOR. A vendor needs to ensure 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.

Action Item: Mr. Westbrook will generate a letter to all vendors requesting this insurance information be forwarded to their BEC as soon as possible. He will also inform BECs that are in the field to start requesting this information when visiting their vendors. Delegate Evans will request that this topic be addressed to new trainees.

C. Open Enrollment for Health Insurance

Delegate Evans announced that open enrollment would begin in November 2004 and health insurance premiums are expected to increase next year by at least 15% to 20%.

Delegate Evans also announced that the PacifiCare PPO group plan might be discontinued. She warned that this could be a difficult change for some vendors because the group's participants have pre-existing conditions, which may prevent them from getting PPO insurance with another carrier. Cathy Wood is scheduled to address health insurance at the next CVPC subcommittee meeting.

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

Delegate Evans announced that the deductible for Property & Crime Insurance has increased from \$1000 to \$5000. She addressed the option of increasing the BEP matching contribution to \$4500, with the balance being the

responsibility of the vendor - \$500. The primary goal is to minimize the impact of meeting the high deductible. Delegate Evans will contact Cathy Wood for more information on the existing coverage and address the deductible increase in her next subcommittee meeting. There will more detailed information at the next CVPC meeting.

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 many of the roadside rest areas are scheduled for development; Caltrans is waiting for budget approvals to proceed with projects. The build out is expected to begin this year. One major concern is that all locations must be ADA compliant.

Mr. Westbrook added that Caltrans continues to communicate with the DOR on any and all new developments with upcoming projects. One major development is that Caltrans will be building permanent structures that will incorporate the BEP vending machines.

C. Status report on federal prison facilities

Nothing reported.

D. Status report on California Youth Authority facilities

Jeff Garcia explained that the CYA facilities are vastly different from the federal prison systems. CYA system consists of many, smaller camps and the locations are scattered throughout the State. Mr. Garcia and his team are trying to understand the system and how it operates. CYA is next to being developed into potential BEP locations but further investigation needs to be conducted before negotiations can begin.

E. Status report on Susanville & Corcoran State prisons

Mr. Garcia indicated that Vendors have been selected for both of these prisons and their operations have begun.

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 will keep the CVPC abreast of any new developments.

PUBLIC RELATIONS AND CONVENTION—Delegate Hanlon

**A. Status report on 2005 CVPC Educational Conference
Recommended Action**

Delegate Hanlon reported that Educational Conference will be a reality and the proposed dates for the conference are October 14 –16th, 2005.

The Hilton Hotel will host the event and was chosen because of its close proximity to transportation, rooms, etc. Hotel resources are easily accessible to the visually impaired. Hotel rates are \$89.00 per night.

It was confirmed that all of the vendor’s travel expenses would be paid. It was confirmed that all speakers must be selected through a bid process. It has not been confirmed if the travel expenses for guides will be paid for. Vendors will be reimbursed for travel expenses if they live within 50 miles of the event location. Delegate Evans proposed to get everything confirmed in the meeting in writing.

Mrs. Friesen read the proposed agenda. The delegates discussed the logistics of the conference including having a \$500 door prize, mandatory sign in sheets to track attendance, and potential presenters. Delegate Hanlon proposed to start advertising the conference in January. He

would like the flyers to start circulating early next year and repeated throughout the year until the event. The goal is to obtain at least 100 participants.

MOTION 2004.013. Moved California Vendors Policy Committee adopts the dates of October 14,15 & 16, 2005 for the California Vendors Policy Committee Education Conference “**Selling, Marketing & Protecting Yourself**” to be held at the Hilton Sacramento Arden West Hotel; and further that California Vendors Policy Committee adopts the Subcommittees proposed agenda for said Conference.

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

Action Item: Jean Walker will forward to Mrs. Friesen some sample flyers that the DOR have used in the past to advertise other events.

Mrs. Walker and Mr. Garcia stated that they have contacts for potential speakers.

B. Reimbursement of CVPC Public Relations Expenses

Delegate Hanlon proposed to have certain Public Relations expenses reimbursed. He proposed to have an automatic remembrance fund for deceased vendors; the fund will be used to send a contribution to the desired charity of the deceased vendor. If a charity has not been selected, a contribution to the Guide Dogs for the Blind/Guide Dogs of America charity will be made.

Delegate Evans expressed her concern that the program needs to be consistent and automatic.

Action Items: The DOR staff will continue to communicate news of all losses to Mrs. Friesen. Mrs. Friesen will coordinate with Delegate Hanlon on the charity contributions.

MOTION 2004.014. Moved that upon notification of death of a BEP Vendor or a person of significance to the Committee, the Executive Committee of the CVPC will make the determination to make a donation of \$100.00 to the Guide Dogs for the Blind/Guide Dogs of America or to the preferred charity of the deceased; the funding for said donation will be drawn from the CVPC Convention Fund.

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

C. CVPC Website

Delegate Hanlon reported that the CVPC needs a website to relay important information to vendors and to the public. Mrs. Friesen gave pricing information about the website and has volunteered to be the Webmaster. The CVPC website can be hosted by Yahoo for a nominal fee. The website will contain information on the CVPC meetings and minutes, location announcements, recent developments and achievements and contact information.

MOTION 2004.015. Moved that CVPC accept the implementation of a CVPC web site for the purpose of informing all BEP Vendors and the public of current issues and all matters by CVPC and the web site will be funded from the CVPC Convention Fund.

Moved: Delegate Hanlon
Seconded: Delegate Kishida
Vote: Passed Unanimously

Action Item: Mrs. Friesen will continue to develop the website and will report the status of it at the next CVPC meeting.

DEPARTMENT REPORTS

Mike Davis and Lloyd Anderson gave a presentation on the status of the current statewide Master Purchase Agreement. In the contract, the contractor must service all vending machines, provide training to the vendor and if necessary, replace required machine parts.

After interviewing many vendors throughout the state, the general consensus is that vendor needs (such as training, service times, etc.) are not being met. There are servicing issues that need to be addressed in the next agreement.

There will also be an effective system to collect complaints and vendor concerns about the service. BECs need to be trained on the contract specifications in order to train and educate their vendors. BECs will be a crucial link in communicating pertinent information about the contract and what the exact needs are of the vendor community. Delegate Evans recommended that all vendors should review the warranty section of the contract.

Mr. Davis suggested that a “commonly replaced parts list” be placed in the next contract and ensure that the next chosen contractor has the ability to replace those parts when requested and in a timely manner.

All the delegates believe that the pre-training is extremely beneficial but also offer the option to waive especially for those experienced vendors. The delegates also agreed that a combo machine (snacks and soda) and a machine that accepts debit cards could be an advantageous option in certain locations.

Action Item: Mr. Davis will revise the 90-day feedback form and will ensure that it is distributed and available to vendors, BECs, etc. CVPC delegates will forward a listing of a parts that regularly breakdown and/or that are commonly replaced.

The primary goal is create a win-win contract for everyone involved.

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

Mr. Westbrook reported that the trust fund is \$1.8 million down. There has been discussion about matching federal funds for repairs.

Location Announcements: Mr. Westbrook also reported that Coast Guard/Edward Military Base contracts have been awarded to BEP Vendors.

Personnel Announcements: Ms. Walker announced the reorganization within the BEP program and that the Oakland office is officially closing. The BECs have been relocated to Sacramento and the plan is to have one regional office in the north and one in Southern California. All BECs will be equipped with cell phones and will be more in the field to service vendors.

Kelly Snow will be the SBEC for the Northern office effective October 1 in Sacramento. David Norris will become the SBEC for the Southern office.

DISTRICT REPORTS

District 1 – Delegate Kishida reported that his area has a secondary contract that is very responsive to vendor needs and services repairs in a timely manner.

District 2 – Delegate Murphy reported that John Daly's location is going out to bid. Edward Air Force Base was awarded to Joy Robinson.

District 3 – Delegate Patche reported that he had a refrigerator needing repair for several weeks. He is noticing a low-morale among vendors and was concerned about the attitude of some BECs toward vendors. Mrs. Walker responded that she wanted to know of any unprofessional behaviors but did indicate that there are some situations where a BEC must enforce the rules and implement some corrective measures.

District 4 - Chair Rompal reported that he is also having some problems with the service contractor and has decided to pursue a secondary subcontractor that is more reliable.

District 5 – Delegate Johnson gave a very heart-felt report about the problems that she is facing at her locations. She has had several non-operating vending machines that are not being serviced in a timely-manner. She openly expressed her dissatisfaction with the current contractor and commented that the lack of service is hurting vendors throughout the state. It is also directly affects the relationship between the vendor and client.

District 6 – Delegate Martin-Hanlon had nothing to report at this time.

District 7 – vacant.

District 8 – Delegate Barnes has been working with a new coffee vendor Bradley Coffee and has been very pleased with their service.

District 9 – Mrs. Friesen read a letter from the building management of the Pomona Courthouse, which described the situation of a BEP vendor and an outside food truck. Delegate Evans and Delegate Barnes have assisted the vendor on several occasions and offered different ways to negotiate with building management to resolve the situation. Delegate Evans remarked that sometimes LA County can be very difficult to work with in resolving these types of issues.

District 10 – Delegate Hanlon announced that resigned form Dave’s Snack Bar and Deli. It is now called Ocean Breeze Café and Catering. He also reported that a new state building just broke ground. This new location will have a snack bar.

A ServSafe class was held in Delegate Hanlon’s district and 8 vendors participated. Ms. Walker will research if a “ServSafe” is required for vendors who deal with only vending machines.

NEW BUSINESS

No discussion.

OPEN FORUM

No discussion.

ADJOURNMENT

Chair Rompal commented that the next meeting would be scheduled during the first week of December.

MOTION 2004.016. Moved to adjourn at 4:10 p.m.

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

ATTACHMENT 1

***Vending Facility Program Data
and the
2002 annual Report on Randolph-Sheppard
Vending Facility Program***
