

**COMMITTEE OF BLIND VENDORS
QUARTERLY MEETING
October 27, 2022**

Roll Call – Attendance was taken, a quorum determined, and the meeting called to order at 4:10 p.m. by Chair Larry Hall.

Members Present:

Mac Carnes, Lynn Florence, Vice Chair, Todd Freeman, Jerry Grimes, Larry Hall, Chair, Buster Mayne, Chris Miller, Justin Purvis, Cramer Schneider, and Todd Stephens.

Members Absent: Ronnie Wheatley

Staff Present:

Corey Marcum, KBE Director, Jennifer Wright, Assistant Director, Janice Jackson, Administrative Assistant, Aaron Christy and Stuart Boggs, Vending Coordinators, Jason Wathen, Food Service Coordinator, Shelby Glisson, Repair Technician, and Dondra Meredith, Deputy General Counsel, Education and Workforce Development Cabinet

Vendors Present:

Charles Dorsey, Katherine Gore, Angela Stevens, and Brad Holland

Guests Present:

Terry Smith – National Association of Blind Merchants (NABM), Hector Benavides, RSA Buying Group, and Beth Wilkerson

Approval of Minutes – Chair Hall called for a motion for the approval of minutes from the July 28, 2022, meeting. Todd Stephens made the motion to accept the minutes as written and

previously distributed. The motion was seconded by Jerry Grimes. The motion carried.

Special Reports

8 (a) Certification - Aaron Christy

Aaron Christy went over the requirements of the Small Business Administration's 8(a) Certification. His presentation had been sent to all vendors prior to the meeting and handouts were available to guests.

He asked for questions. Cramer Schneider asked if a person was in the middle of a contract when their nine-year certification ran out, what would happen. Mr. Christy told Mr. Schneider that he would find out and get back to him. He said he would send out additional information to the vendors and asked that anyone who had questions to please contact him.

RSA Management Group - Hector Benavides

Mr. Benavides asked how many KBE vendors were members of the RSA group. Mr. Marcum indicated there were only a small number. Mr. Benavides said that there were many benefits in joining. He said getting rebates isn't the only reason why people join, that teamwork, beyond the rebates, was why RSA was the best buying group. He spoke about labor and food chain shortages and how federal and state employees were not going to return to full numbers anytime soon. He said that it's going to be more important than ever to think outside the box.

He said there are 50+ states participating in RSA and they are partners with NABM to get vendors more business. There are Coke rebates which are being upped from 87 cent to \$2.50 a case. They provide digital advertising to put more money in the vendors pockets, \$50-\$100 per month, per location. They also are now involved with food carts and water stations. They are pushing hard

on EV chargers for rest areas. This will provide more income and opportunities for blind vendors. They can train vendors in hardware and software technology which will take pressure off the states' budgets. He said the RSA team can prepare blind vendors to beat out the sighted competition. They provide all types of support. He indicated that the average blind vendor has from 5-20 machines while the sighted vendor has from 250-500 machines. He said the RSA team could help vendors go after and win, big bids. He told the Committee that he would leave applications with Mr. Marcum to distribute. He asked for questions and there were none.

Chair Hall stated that vendors need to take on other things outside traditional vending, such as janitorial contracts and marinas and prove themselves then other things will follow. He said he was pushing with elected officials to keep money in the state instead of giving the contracts to out-of-state firms.

Lynn Florence asked about starting a fleet of food trucks and would RSA guarantee loans? He said that they don't buy trucks but do provide green energy food carts. Their goal is to have over 500 food carts operating next year. As the costs are offset by advertising on the side of the carts, prior to giving a cart, they conduct a study of foot traffic where the vendor wants the cart to be placed. If there is enough traffic for it to be feasible to make money at that location, they will provide the cart. The vendor must have a place to securely store the cart when not in use.

Todd Freeman said he would have a good location to have an EV charging station at his Welcome Center in Paducah.

Mr. Benavides asked for any questions, there were none. He said Mr. Marcum would send out his contact information.

National Association of Blind Merchants (NABM) - Terry Smith

Mr. Smith said that Mr. Benavides neglected to mention that RSA members also get price protection from various companies, and they have a lot of national contracts. They work to provide vending opportunities in the private sector. He said that vendors need to change their mindset about paying commissions. If they're going to go into vending in the private sector, they will pay commissions.

Mr. Smith indicated that we are in a time of reckoning. A national survey of state agencies' blind vending programs was conducted, and 36 states responded. It was reported there were 1800 vending facilities prior to Covid. As of September 30th, Randolph-Sheppard vendors have less than 1,500 facilities. Now, only 35% are doing, at or near, pre-covid sales. Of that 35%, rest areas make up 22% and they, along with post offices, correctional facilities and military dining, were never affected to begin with.

All vending in office buildings was impacted. Sixty-five percent of all office vending was significantly impacted or are still closed. He said that 500 vending facilities were performing at only minimal levels or remain closed. Most cafeterias are closed, particularly on federal properties. He indicated that by the end of next year, we will end up with only about 1,300 out of the 1800 facilities still operational.

Mr. Smith said there needs to be a change in the system. NABM is pushing the federal Rehabilitation Services Administration (RSA) to rewrite federal regulations that were written in 1975. He reported that our program is more driven by the regulations than the law. He said we have to look at the way we do military dining contracts, so the Army is less resistant to Randolph-Sheppard. Right now, there are over 100 military dining arbitrations going on that could have been avoided if the regulations had been updated.

NABM has recently written a letter to the RSA asking that a 10% portion of all Vocational Rehabilitation agency funds returned to them, be put into a one-time grant to enable states to do things such as converting cafeterias to micro cafes, buying food trucks and food carts and doing things that aren't food related and are in the private sector. He said the State Licensing Agencies (SLA) need to be able to lay out plans for new innovations and use the grant money to implement them. They are hoping to get Congress to put in legislation to force the change the way the program operates.

Mr. Smith said he and Nicky Gacos recently met with Mr. Marcum and a colonel at Fort Campbell to discuss military dining. He said since that meeting, they had been put in contact with other people who can possibly help us expand beyond the traditional military dining contracts. Vendors need to be doing a good job in handling the contracts and we need to make sure we are selecting the right vendors and teaming partners and get away from a seniority based promotion system. Blind vendors need to be engaged in the business and be the face of the business.

Mr. Smith commented that if we are going to be a part of the Department of Transportation EV charger initiative, and the Army pilot project, we need to show them our blind vendors have something to offer. He reported that the Department of Transportation wants to put EV charging stations at rest areas and have asked the US Department of Education for a ruling that they are vending, and therefore blind vendors have the priority. The Department of Education has not made a ruling, so everything is on hold as of now. It's something NABM will be keeping an eye on.

Mr. Smith ended by giving his email address as Terry@merchants-NFB.org and phone number as 865-599-7148, for anyone wishing to contact him.

KBE Director's Report – Corey Marcum

Mr. Marcum reported that two bids were awarded this quarter. The L&N Building location in Louisville was awarded to Charles Dorsey and the new Western Kentucky Correctional Route, which includes the Western Kentucky Correctional Complex, and the Green River Correctional Complex was awarded to Brad Holland. He said he is hoping to eventually add the Kentucky State Penitentiary at Eddyville, to this route.

He said that there was currently a bid out for the Kentucky Transportation Cabinet cafeteria and vending, which was left vacant by Charles Dorsey's move to the L&N Building.

The Federal Medical Center which has remained closed since Covid began, will be reopening and KBE staff and the vendor, Larry Hall, are busy getting things ready to open.

There were two emergency appointments last quarter. Emergency appointment means there are no current vendors interested in the location, but the position needs to be filled. These individuals meet the requirements of the program but haven't had the opportunity to complete the training required to become licensed. Glenn Smallwood was assigned to a new location, the US Prison – McCreary, and Derrick Kromenacker has taken over the Northern Kentucky Route left vacant by Martin Caldwell.

Mr. Marcum reported that the past quarter had been spent looking for new opportunities for vendors. KBE has reviewed opportunities with school systems, the Cincinnati/Northern Kentucky Airport, state parks, as well as possible janitorial contracts and additional opportunities in the private sector. He said that KBE understands that we may never return to pre-covid numbers and that we need to look for new opportunities to replace what we've lost but many vendors are slow to embrace this. He said KBE is also working with

vendors to encourage obtaining their 8(a) certification, which is a federal program for disadvantaged populations that gives them an edge up on competition.

KBE is also looking at technology to help vendors be more profitable. This includes self-checkout technology for micromarkets and hybrid markets. A micromarket is completely unmanned while a hybrid market is traditionally manned but may replace one or more cashiers with a self-checkout option. This reduces a vendors need for staff and saves on payroll cost. We are looking at other technological advances as we go to trade shows.

Vendor Larry Hall's staff, with assistance from KBE staff, recently catered the Governor's Fatherhood Summit, which was a two-day event at his CHR Building location. There were 200 attendees each day. This was a great opportunity for our vendor to showcase his services and make some extra money.

Mr. Marcum said that he and Food Services Coordinator, Jason Wathen, attended BLAST and the Vistar Show in Atlantic City. It was an excellent show and showcased new items in vending.

In September, KBE staff, along with some vendors, attended the GFS food show in Louisville.

Mr. Marcum reported that he and Jennifer Wright were invited, and attended, the Tennessee Blind Vendor Committee's annual conference and meeting last month in Murfreesboro. There were staff and committee members present from several states. Ms. Wright will be going next week to the National Council of State Agencies for the Blind (NCSAB) conference in San Antonio.

He announced that Janice Jackson will be out for surgery beginning October 31st.

The dates for the 2023 meetings are January 26th, April 27th, and July 27th at 4:00 p.m. in person and virtually. The 2023 General Assembly will return to a traditional, in person, training and meeting October 27-28th in Louisville. He said it is complicated to get hotels for weekends but as of now, he is waiting on the Purchase Order from the Cabinet for approval.

Mr. Marcum asked for questions and there were none.

Chair Report – Larry Hall

Chair Hall mentioned that the National Federation of the Blind (NFB) always holds their conference the last weekend in October so there may be a conflict in dates with our 2023 General Assembly.

He told the Committee that business will not be back to the way it was, pre-covid and we will need to figure out how to alter direction. He said that some new ideas are coming out from RFPs, and he encouraged vendors to look at them. He said in order to supplement our income, we need to start doing things we haven't done before in our program. People don't like change but don't let that stop you. There are technology and resources to help you. Even if you subcontract things out, remember that you are still responsible.

Chair Hall said that supply chain issues are huge, and vendors may have to use multiple suppliers to get what they need. Coke and Pepsi are both having labor shortages which affect repairs and getting machines filled.

He asked everyone to get involved, share ideas and work together. That's the only way the program can move forward.

Chair Hall asked for questions.

Todd Stephens said that he agreed that things will not return to the way they were. He commented that if we keep waiting for that day, it's not going to come, and things will pass us by.

Todd Freeman asked if KBE bid on the Paintsville Marina. Chair Hall said that we had not. Mr. Freeman said that he lived three miles from the Kentucky Dam Marina and was wondering if they were talking about just doing the vending or running the entire operation. Chair Hall said we must think big. If we could get our foot in the door in one place, and have an excellent vendor in there, that could open up other opportunities around the state. Whatever we do, we can't just do a good job, we must do a great job in order to compete in the sighted world.

Mr. Freeman asked if KBE had gotten back in at the tech college in Paducah. Chair Hall told him that the bid for that facility was rescinded by KCTCS.

Old Business:

Mr. Marcum reported that concerning the arbitration for the Blue Grass Army Depot, he had talked with someone at the Pentagon two weeks ago. They told him that we had been going about it the wrong way. Instead of dealing directly with the Depot, we need to petition Fort Sam Houston. He said in the next few weeks, we will be preparing a letter to request the vending at the Depot as well as the vending at Fort Campbell, and the remaining vending at Fort Knox. We will be following Army Directive 20-25 that lays out how to get Army vending in Randolph-Sheppard.

Todd Freeman asked if we had the vending at the Wendell Ford Training Center. Mr. Marcum said that we did previously, but the vendor didn't make any money and we pulled out the machines.

New Business

Election of Chair and Vice Chair

As Chair of the Nominating Subcommittee, Todd Stephens said he worked with the other members, Todd Freeman and Cramer Schneider, and their subcommittee recommended that Larry Hall retain his position as Chair and Lynn Florence retain her Vice Chair position. He asked three times for other nominations from the floor. Hearing none, Todd Freeman made the motion that nominations cease and to accept the nominations by acclimation. Jerry Grimes seconded, and the motion passed.

Public Comments

Chair Hall asked if anyone would like to speak.

Mr. Freeman said he wished to thank the Chair, Vice Chair and KBE staff who have worked so hard during, and after, the pandemic to keep the program afloat and thought everyone deserved an A for effort.

Brad Holland thanked the committee for all the help he had received with setting up his new facilities. He asked if KBE has priority for food service in state-funded daycares. He said that food service in those locations could be an opportunity. Mr. Marcum said that Alaska is spearheading that exact thing and he will keep him informed on how that turns out.

Mr. Holland also suggested exploring automatic car washes and laundromats. He said that he's trying to think about things other than just selling snacks. Mr. Marcum said that he had read recently that 90% of all dry cleaning operations succeed.

KBE Vending Coordinator Stuart Boggs said he had spoken with

Lou Zinola of USI who has volunteered to do a training class on elevator and frozen machines where he would go through the ins and outs of general maintenance and troubleshooting. He said he will come to the area closest to where the majority of interested vendors with those machines are located. Mr. Boggs said that would probably be Louisville as that's where most of those machines are used.

Chair Hall asked Mr. Marcum to send out an email to all vendors with that information and coordinate a date with Mr. Zinola and the interested vendors and get it on the schedule.

Mr. Stephens said that he would be interested in getting written documentation with the training information to keep for a reference.

Adjournment

Todd Stephens made a motion to adjourn. A second was made by Jerry Grimes. The meeting was adjourned at 5:45 pm