

**KENTUCKY BUSINESS ENTERPRISE  
COMMITTEE OF BLIND VENDORS  
SPECIAL CALLED MEETING  
JUNE 22, 2022**

This was a hybrid meeting of in-person and Zoom.

**Members Present:** Mac Carnes, Vice-Chair Lynn Florence, Todd Freeman, Jerry Grimes, Chair, Larry Hall, Clyde 'Buster' Mayne, Chris Miller, Cramer Schneider, Todd Stephens, and Ronnie Wheatley

**Members Absent:** Justin Purvis

**Staff Present:** Corey Marcum, Director, Kentucky Business Enterprise (KBE), Jennifer Wright, Assistant Director, Jason Wathen, Food Service Coordinator, Nanci Howard and Janice Jackson, Administrative Assistants, Shelby Glisson and Robert Reed, Vending Repair Techs, Cora McNabb, Executive Director, OVR and Dondra Meredith, Deputy Executive Director, Legal Services Education and Labor Cabinet

**Guests:** Charles Dorsey, Katherine Gore, Brad Holland, and Angela Stephens

Roll call was taken, and a quorum was present.

The meeting was called to order by Chair, Larry Hall, at 4:07 pm ET.

Cramer Schneider provided the invocation.

The special meeting had a one-item agenda, discussion of bidding on the Request for Proposal (RFP) for KY Dept. of Corrections Commissaries

Chair Hall asked KBE Director, Corey Marcum to begin the discussion. Mr. Marcum noted that all vendors had received a copy of the entire RFP by email and there were large print copies available in the room for those who wanted them. He explained the purpose of the special-called meeting was to get the opinion of the vendor committee on whether KBE would have enough vendors to successfully run the prison commissaries and should submit a proposal.

He stated that the Kentucky prison commissaries are not run the same way as the regional jail commissaries in Tennessee, that many vendors are comparing it to. Kentucky requires each commissary to have multiple manned windows open daily during the stated hours of operation and in addition, to stock visitor room vending on every weekend and holidays. Lynn Florence asked if they would consider doing it by kiosk and online ordering for delivery. Mr. Marcum said that was not an option.

He said there are 14 prison commissary locations across the Commonwealth. One of the requirements of the proposal is that the manager must be onsite at least 75% of the time of the 40+ hour week. A manager will have to dedicate 30 hours a week to being onsite.

Mr. Marcum continued by stating that in the RFP, the Department of Corrections requires the vendor to carry over 900 SKU numbered products, all of which are in the catalog that accompanied the RFP. He said he had not expected such a large product volume requirement.

Price changes may be made only once a year with approval from the oversight board and it must be the same price, unified across the board for all vendors. He provided an example of how this could be detrimental to the vendor and stated this was a huge concern for him with rising inflation.

He stated that there is a 50% vacancy rate for correctional officers and that Corrections said there will be no correctional officers provided to escort vendors or their staff through the facilities. They may be walking through the general inmate population.

Mr. Marcum said the RFP asked for branded equipment and he is unsure what type of equipment the facilities have at this time. He stated that since all our equipment purchases must go through the state procurement process, he is unsure whether we could fulfill the specifications of the RFP, at the time of submission. He said the estimated bare bones cost alone would be substantial; three million plus. He stated this was concerning as well. In addition, to even submit a proposal, the RFP calls for specific experience in running

commissaries, which KBE doesn't have so he isn't sure KBE's proposal would be accepted.

The inmate population is at only 80% of capacity so there is a 20% gap. Inmates are allowed to spend up to \$125 a week, although not all inmates will receive that much each week from home. He further stated that sales numbers and retail costs are unknown. He has asked Corrections questions regarding sales and retail costs and has received no response.

Another question and area of concern is who the vendors would purchase from? Who are the providers that the program would reach out to? He stated that vendors are accustomed to buying snacks and drinks but not used to purchasing sweatpants and fingernail clippers, just to name a few. He said that tours of the facility would not be allowed. The facility would receive a 22% commission. The pricing structure can be no more than the price of a convenience store average. He expressed this might be challenging for vendors. The product list alone includes seven different kinds of milk and 41 types of chips, 36 types of ice cream, etc. Mr. Marcum stated it would be like a small grocery store with 900+ SKU numbers and there would be \$1,000 in fines per day if out of compliance.

He continued that ability to staff the commissaries is a major concern. He said some vendors had mentioned using off duty Correctional Officers to work the windows but that is strictly prohibited according to the RFP.

Mr. Marcum stated this is a good opportunity for vendors and that he did not want the vendors to take the RFP lightly if there were enough committed vendors to make it work. He asked for each committee member for their input regarding the commissaries.

Chair Hall began by expressing that he respected Mr. Marcum's concerns regarding the information presented. He stated that it would be a big undertaking and would take a lot of effort from the vendors to be successful. Mr. Hall said that being blind or having a visual impairment does not exclude vendors from running a facility. He also said that he has connections with several different wardens at prisons and encouraged the committee that the vendors can work with them to ensure the facilities are run properly. As far as profit, Chair Hall, explained that vendors can make money working with the commissaries. He also encouraged everyone's opinion on the topic. He explained there will be a need for storage, etc. Hall stated the program will need to move forward for vendors of the future. He said vendors' current facilities aren't profitable even though employees are returning to the buildings. They are nowhere near where they need to be. He said the same company has had these commissaries for 50 years and wouldn't have kept them if they weren't making money.

Jerry Grimes expressed concerns regarding pricing and the 22% commission. He also expressed concern over having to acquire storage units and warehouse space.

Clyde 'Buster' Mayne agreed with Chair Hall. He asked if vendors would have to pay the commission even though they operate through a state agency. Mr. Marcum said yes, they would. Mr. Mayne stated something must be done to save the program. He said he believes this would be a great opportunity for current as well as future vendors. He agrees that other vendors would benefit from it even if they didn't take on a commissary. Mr. Mayne stated there are some concerns such as storage and pricing. He agreed with the Chair that the commissaries are making money and have been for 50+ years.

Chris Miller, began by stating he has vending in the prisons and has for years. He has been among the prison population and has found that the prisoners are "nice as they can be". He said he assumes that vendors will be able to continue their tax-exempt status, so they do not have to pay sales tax. Mr. Miller stated that vendors should be able to mark prices up even more due to this. He stated he would rather see prices too high than too low and that in the RFP they can negotiate if the facilities think the prices are too high. Mr. Miller discussed using the sales tax to the vendors' advantage. He said he has seen online that commissaries charge \$2.29 for a candy bar and that he does not see why this would be an issue. Mr. Miller stated that the prison where he has vending has a stand-alone building for storage plus storage in the back of the building. He does not believe outside storage is needed and believes vendors will be okay in that respect. He concluded by stating that he believes the agency

should investigate this further and that it would be a great opportunity for current and future vendors.

Cramer Schneider stated there is still so much that the agency and the committee do not know at this time. He said he certainly agrees that the program will need to do something additional to be successful moving forward. Mr. Schneider encouraged the committee to think smart and said that he wholeheartedly agreed with Chair Hall, when he stated that just because individuals are visually impaired or blind, does not mean they cannot run facilities. He continued to encourage the committee to think methodically and understand all aspects of the RFP. He stated he can also understand the validity of concerns from staff. Mr. Schneider expressed his concern over the manager being available 75% of the time at the facility and not having much time to work anywhere else such as routes or state/federal buildings. Chair Hall reiterated this was the first meeting held regarding the commissaries and that the committee still has not had the chance to ask questions regarding the proposed RFP.

Vice Chair Florence, stated everyone has had very good points, concerns and ideas. She said the number of required products does not bother her and she feels that incorporating sales tax savings in the prices would be a bonus. She stated that her main concern is that if the vendor committee does move forward with the commissaries, what will the program do with the other locations that have been provided to them. Will the program abolish them or keep them? Who would run

them? She discussed the importance of the program and the concern of recruiting new vendors but realizes no one wants to go through three months of training, away from home, just to come out and not have a location that would sustain them. She said that the program will have to find more income producing opportunities to attract more vendors. She concluded by stating she thinks it is a great opportunity for the program and that the future has changed, and the program will need to change with it.

Todd Stephens stated that there has been excellent discussion on this topic. He wondered if the vendors do not take this opportunity, then it would be a wonderful opportunity for someone else. Mr. Stephens stated he believes, that while it is a great opportunity, the blind vendor's committee members should look at this collectively on how this can be maintained. He expressed concern over being underwater recently and not making any money in a larger facility. He believes the committee should look at this because the program does not have an alternative plan to keep it going. He concluded by stating, "it is not just about the current vendors but the future of blind vendors across the state".

Mac Carnes stated he believes it is an opportunity but that it is loaded with stress and a lot of unanswered questions as far as financing, with interest rates and inflation going up. He stated he thinks that someone who has the will and desire, can work in the commissaries. He concluded by stating it is worth looking into for those who have the startup money.



Todd Freeman said that as a former police officer of 15 years, there would be people in the prisons that he helped put there and he would not feel safe. He said his stepfather is a Correctional Officer at Fredonia Correctional Center who tells him that fights break out every day. He said he doesn't feel comfortable committing to the commissaries without additional information.

Ronnie Wheatley asked for a breakdown of expenses and Mr. Marcum said they haven't been made available from Corrections yet. Mr. Marcum stated the costs up front will still be the same. His initial concern is day one startup costs. Mr. Wheatley commented that we have no way to know what another outbreak of COVID would do to sales. He commented that KBE needs to be looking for other potential sites. He suggested the expansion of rest area vending.

Chair Hall reiterated the importance of making money and having a successful business. He said that the program is in dire straits since COVID and can't continue like this. He said locations that vendors have had for years may have to be let go if they don't start producing income. He encouraged committee members to be cautious and to work together when making a decision regarding the commissaries. He stated that the vendors should consider working with the commissaries for the future of the program. He said there is no other Plan B.

Mr. Stephens stated the vendors need to investigate the opportunity and do it cautiously. He believes the program

can come up with a solution but must be responsible when making decisions.

Chair Hall asked if the program has another path, a Plan B. Mr. Marcum stated the program does not. Mr. Hall stated the committee needs to move forward. Mr. Marcum stated there is a possibility that to make this work, a raise in setasides would need to occur and a collaboration with a teaming partner. Todd Stephens asked for financial numbers. Mr. Marcum stated he would get them as soon as possible to share with the vendor body. He anticipates a response from the RFP sometime in the next week. He will then know more about pricing, etc. once he receives a response.

### **Public Comments**

Chair Hall asked if anyone in the audience had any comments. Vendor Katherine Gore said that she thought this was an exciting opportunity for the program if we can figure out a way to protect the vendors who work in commissaries. She said there are lots of logistics to figure but if all the vendors come together, we can find a way to move forward for the future.

A motion to adjourn was made by Todd Stephens and seconded by Jerry Grimes. The meeting was adjourned at 5:30 pm ET.