**COMMITTEE OF BLIND VENDORS**

**QUARTERLY MEETING
July 22, 2021**

 **The meeting was held via Zoom**

**Roll Call** – Attendance was taken. A quorum was present.

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

**Staff Present:**
Corey Marcum, KBE Director, Jennifer Wright, KBE Assistant Director, Janice Jackson, Recording Secretary, Nancy Soard, Administrative Assistant, Jason Wathen, Food Service Coordinator, Stuart Boggs, Vending Coordinator, and Dondra Meredith, Deputy General Counsel, Education and Workforce Development Cabinet

**Vendors Present:**

George Bouquet, Martin Caldwell, Katherine Gore, Brad Holland, and Eddie Myers

The meeting was called to order at 4:30 p.m. by Chair Larry Hall.

Todd Freeman gave the invocation.

**Approval of Minutes**

Chair Hall called for a motion for the approval of the minutes from the April 22nd meeting and June 11th Special Called Meeting. Todd Freeman made the motion to accept the minutes as written. The motion was seconded by Jerry Grimes. The motion was voted on and approved.

**KBE Director Report**

Corey Marcum reported that during this quarter, Kentucky’s Randolph-Sheppard reimbursement plan for vendors was submitted and approved by RSA. This was done with the active participation of the Blind Vendors Committee. The agency is working through the process to get the funds to the vendors as quickly as possible. The required attestation forms have all been returned to KBE and vendors are continuing to send in their unemployment verification.

Three bids were accepted for vacant locations this quarter. There were two locations in Louisville. The L&N Building was awarded to George Bouquet and the Gene Snyder Federal Courthouse to Justin Purvis. The CHR Building in Frankfort was awarded to Larry Hall. Mr. Marcum said that unfortunately, there was little interest in these facilities as there was only one bid received for each of them. He said this isn’t a problem exclusive to Kentucky, it is going on in other states as well. He asked committee members to let him know if there were things that could be done to foster more interest from vendors.

The state soft drink contract was awarded, and once again, Coke won the bid. In the new contract there was a decrease to 35% in the commission paid, as well as an increase in prices. Mr. Marcum reminded the committee that there is an existing clause in the state contract that allows Coke the right to deny contracted prices to locations where their competitors’ products are being sold alongside Coke. He said that he had never seen it enforced but that it is in the contract and vendors need to be aware of it.

KBE’s first micro market has been opened at the Mazzoli Building in Louisville and has been well received. It is outperforming expectations. Mr. Marcum said he had received several compliments from building management and tenants.

New equipment is arriving for the L&N Building, and it is within weeks of opening, after being closed for two years.

The vendor inventory replacement funds for GFS orders have been extended thru June 2022. Mr. Marcum reminded vendors if they have funds remaining on their account, to remember to use them.

KBE scouted two new locations this quarter. The RFPs for the Kentucky Horse Park and the Kentucky Theater, which were discussed with the committee at a previous meeting, would both require teaming partners. The process of acquiring a teaming partner is lengthy and there wouldn’t be enough time to find one and still respond to the RFPs by the deadlines.

Mr. Marcum said the majority of vendor locations are reopening but we are still learning what the new normal will be.

Finishing touches are being applied to the refresh at the Hall of Justice snack shop in Louisville. It will reopen next week after being closed three weeks for remodeling.

New equipment has been ordered and should be arriving soon for the Thomas Hood Veterans Center, Transportation Building, State Office Building and the Rowan and Carter County rest areas. These new machines will have credit card readers which should provide more income for the vendors as well as a better customer experience.

The process for scheduling the committee’s annual General Assembly is underway. Mr. Marcum said it has been challenging as many hotels in Louisville are already booked up. He continues to look for places for alternate weekend dates. The selected hotel must be able to provide blocks of rooms as well as large meeting spaces. He said the General Assembly may have to be moved to November, but he would keep the committee updated.

The National Association of Blind Merchant’s BLAST will be held in New Jersey at the end of September.

Supply chain shortages and price increases remain a problem for vendors. Mr. Marcum advised everyone to be flexible with products and suppliers to offer the best value to their customers.

Mr. Marcum reported that all new USI machines being manufactured will have UV light sanitation protection on the keypads and the receiving areas, which will provide a safer environment and reassurance to the customer that vending machines are safe. He said if an upgrade to retrofit existing machines is made available, KBE will purchase those as well.

Mr. Marcum reported that there are 100 credit card readers on order for non-USI equipment that is too good to surplus. These will also be available for use on soft drink machines that vendors self-fill. When they are received, they will be scheduled for installation.

Mr. Marcum asked if there were any questions.

Mac Carnes asked for an update on Fort Knox. Mr. Marcum said since it is under litigation, he isn’t allowed to discuss it.

Ronnie Wheatley asked if there were future plans for a six-shelf refrigerated machine from USI. He said that the machines from previous manufacturers had six shelves and the USI machines only have five. This limits what he can put in his machines. Mr. Marcum said that it wasn’t something he had ever heard mentioned from USI but would check into it.

Justin Purvis commented that it is important to come up with ideas for creative vending. He said there are many types of vending machines that may present opportunities for the future, such as ones for selling whole pizzas and even bait. Mr. Marcum said he’s seen some things like that being done in Asia but that USI is currently only making traditional vending machines.

Todd Freeman asked when the vendors would be getting their FRRP funds. Mr. Marcum said he has no definite date but would let vendors know as soon as he has one.

**Old Business**

Mr. Marcum reported that he is still working on the electronic funds transfer for ePay so that setasides may be paid in iBEP. He said that it had taken a back seat while the agency has been working on the FRRP funds, but it should be resolved by October.

Lynn Florence reported she had contacted all the nominees to serve on the subcommittees and they have accepted. She read the list of nominees to be approved by the committee and said that Chair Larry Hall will serve as an ex officio member of all committees.

Upward Mobility Committee - Chair Jerry Grimes, Buster Mayne, and Cramer Schneider

Grievance Committee – ChairBuster Mayne, Mac Carnes, Jerry Grimes, and Chris Miller

Budget Committee – ChairRonnie Wheatley, Todd Freeman, Chris Miller, and Justin Purvis

Training Committee - Chair Lynn Florence and Todd Stephens

Todd Stephens made a motion to accept the subcommittee members as read by Ms. Florence. It was seconded by Todd Freeman. A vote was taken, and the motion passed.

**Chair Report**

The Chair said he would be combining his report with New Business.

**New Business**

Chair Hall asked Mr. Marcum to tell the committee exactly where the agency is with the FRRP payments.

Mr. Marcum said that all the attestation forms are in, and the math calculations have been done and are ready to go. KBE is waiting for the meeting with fiscal to discuss the payment procedure. He said he would keep the committee updated as things occur, but KBE’s portion of process is finished. Jennifer Wright said that she was working with the Finance Cabinet to help get vendors who do not have their banking information set up for direct deposit for the FRRP funds. Chair Hall asked Mr. Marcum for a commitment to keep in touch with fiscal to ensure that the payments would be made as soon as possible.

Chair Hall said this year, the program lost the Fort Knox military dining teaming partner, part of the vending for the city of Lexington and most KCTCS locations. He asked what could be done to replace those and to help vendors who lost those locations.

Mr. Marcum said that he is actively looking for other sites and ways of remedying what has happened. He said legislation will be proposed in January to help correct some of this as well as create new opportunities.

Chair Hall suggested the agency try to get the commissaries at the state prisons if we have the right to be there. Mr. Marcum said that in researching this, it appears that the entity running the commissaries is deeply embedded and it looks like it may even be a part of Corrections.

Mr. Stephens said that blind vendors have priority in other states in the prison systems. Tennessee is one of them. He suggested trying to find out from other states how they were able to get into the prison commissaries.

Chair Hall said that he has contact with legislators from both parties, but before he approaches them about this, he needs to know that KBE is on board with trying to get the commissaries. Mr. Marcum said the agency will do as much as the law allows.

Dondra Meredith stated that some time ago, it was said that blind vendors have the priority on state property. However, as discussed at a previous meeting, the way the state statute is currently written is very vague. It does not give a clear priority to blind vendors on state property. She said as it is written, if challenged in court, the court could easily rule that the vendors do not have priority on state property. The Randolph-Sheppard Act gives vendors priority on federal property, which is controlled by the federal government. The state statues don’t necessarily mirror the priority on state property. That is where the ambiguity comes in.

Chair Hall said he understood her point but would like to make a push for the prison commissaries anyway. He said the agency should go as far as possible in trying to get them for the program. He said vendors’ businesses going back after Covid will be nowhere near what they were pre-Covid. The program needs the extra income the commissaries would bring in.

Ms. Meredith replied that she understood and in no way was trying to persuade against it. She said she only wanted to point out the vagueness of the statute and that there needs to be the understanding that if the committee starts advocating down that path, the agency does not believe there is 100% support in asserting a priority.

Ms. Meredith asked if gaining the commissaries would involve using a teaming partner. Chair Hall said it would not.

Mr. Stephens said he appreciates Ms. Meredith’s input, and because there is ambiguity, he suggests exploring every option toward getting the commissaries. It would give a chance for diversification of options outside of Frankfort, Lexington, and Louisville. Chair Hall said that he had spoken with a legislator and suggested to him that since businesses locating in Kentucky are given an incentive to come here, maybe a caveat could be attached to include giving their vending operation to a blind vendor.

Chair Hall said the committee needs to work with, not against, the agency in accomplishing goals. Mr. Stephens commented that he thinks Mr. Marcum does a good job for the program and has the vendors’ best interest at heart.

Mr. Wheatley questioned whether there is enough vendor manpower to run all the commissaries. He said since there was only a single vendor bidding for each of the last three bids, it was concerning to him. He asked if the commissaries were given to the agency, would there be enough vendors to do the job. He said there would need to be training for vendors before going into the commissaries.

Chair Hall said that vendors need to help recruit for their own program. He said that traditionally the counselors find the recruits and bring them to the committee. However, many blind vendors may know other blind individuals who would be a good fit for the program and if interested, they could then be referred to the counselors. He said there needs to be younger vendors coming into the program.

Mr. Freeman said his stepfather works in a Kentucky prison and may be able to help by providing the protocol for their commissary. Chair Hall said that he would welcome any information Mr. Freeman could get. He also said that Chris Miller currently has vending at the Kentucky State Reformatory and could also be a resource moving forward.

Chair Hall encouraged every vendor in the program to get involved. He asked them to bring their ideas and thoughts, attend Zoom meetings, make calls, and be involved in the program. He told all the vendors on the call, it’s YOUR livelihood, so you need to get involved!

Chair Hall asked Mr. Marcum about the 2021 Vendors General Assembly and training, to be held in the fall. Mr. Marcum asked that the committee appoint a subcommittee to discuss what they would like to have such as speakers, breakout rooms, training, etc. Chair Hall asked Ms. Florence to chair that subcommittee and select some members to help her. She said that if any vendor has ideas or things, they would like the subcommittee to address, to please email, call, or text her.

Chair Hall asked for volunteers to help Ms. Florence. Todd Stephens, Justin Purvis, and Jerry Grimes volunteered to be on the subcommittee.

Cramer Schneider suggested that since it was difficult right now to obtain a hotel in Louisville that having the General Assembly in another town, possibly Lexington or Owensboro may be a good idea.

Mr. Marcum answered that it was a financial thing, and it is most cost effective having it in Louisville since so many vendors live there. KBE must go by the state travel regulations for lodging. He said it would cost nearly twice as much for somewhere outside of Louisville. He said he will be glad to check out other locations, if they would be cost effective.

Chair Hall said there was a lot of controversy about the new Coke contract. The price for Coke products is now $2.50 for a 20-ounce drink. There was no warning from Coke about the price increase, they just went in and raised them on the machines. Commission rates have also gone down.

Mr. Wheatley said they raised the price for 20-ounce bottles to $2.50 and 12-ounce cans to $1.50. He said he fills his own Pepsi machines and sells the drinks for $1.75. He feels like he may need to raise the prices on his Pepsi just so they don’t run out before he comes back to fill.

Mr. Schneider reported that he has been getting complaints about the new pricing. He said he feels like Coke is trying to force everyone to self-fill. He remarked that this would be a problem for most vendors as they don’t have enough storage to do that.

Mr. Freeman said that as part of the contract it states that any issue brought to their attention must be handled by Coke within three business days. He said when his machines hadn’t been filled for a long time, he sent an email quoting that part of the contract to his rep and they came within three-day time frame and filled them.

Buster Mayne stated that his interstate customers are not going to pay $2.50 for a Coke product. He said that just this morning he was at the rest area and two people looked at the Coke prices and walked over to the Pepsi machine and bought from it instead.

Mr. Stephens said that at Maysville Tech College it’s a concern that the students won’t be able to pay $2.50 for a drink. He’s working with the facility manager to remove all but one Coke machine and use Pepsi everywhere else on campus.

Mr. Marcum said that KBE does not have any input into the state contract. It is a five-year contract, so he doesn’t think they are trying to get out of the full-service business. The cost of trucks, gas and labor continues to rise, and he thinks that they are doing what they have to do to compensate for those issues.

Mr. Purvis said our vending game needs to evolve if we want to stay in it. We must look at other opportunities. He said if the agency has storage space in Louisville and Frankfort, maybe vendors could go in together on their orders, if forced to go to self-fill and store there.

Mr. Marcum answered that there was no KBE warehouse space for vendors to use but said that vendors could go in together and rent a space on their own.

**Public Comments**

Martin Caldwell discussed the vendor shortage. He said there is a need to find new, younger vendors. There needs to be a good marketing strategy to attract vendors who are hungry to work. He said when he started 19 years ago there were over 50 vendors in the program and now there are only 29. As for the prison commissaries, he said, if there are not good, dependable vendors to bid, the effort to get them is in vain. If there are good locations going out to bid and only one person is bidding, how do we expect there to be vendors to serve those commissaries in remote areas of the state? We may not have a priority at this time, but things can be changed through legislation, and if we have friends in high places, let’s work on getting it changed.

Chair Hall said if we do get the commissaries, existing vendors need to have priority before new vendors, but we do need new vendors.

George Bouquet stated that storage is expensive, and you can’t store food in some of those locations. Jerry Grimes said that he uses a climate-controlled unit, and you can store everything in those.

Chair Hall asked if there were any other public comments. Hearing none, he asked for a motion to adjourn.

**Adjournment**

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