**State of California**

**Health and Human Services Agency**

**Department of Rehabilitation (DOR)**

## California Vendor Policy Committee (CVPC) Meeting

## Thursday, February 2, 2023, Day 2 of 2

9:00 a.m. – 3:00 p.m.

Hybrid meeting held at Department of Rehabilitation

888 South Figueroa Street, Ste #900, Los Angeles, CA 90017

 with virtual participation available via Zoom.

Meeting notes

**In attendance**:

CVPC members (in-person): Paul Patche II (District 1), District 2 and 3 (vacant),

Michael Hatch (District 4), Sandy Balani (District 5), Harry Begian (District 6),

Max Duarte (District 7)

CVPC members (by Zoom): Julie Wakamoto (District 8)

DOR staff (in person): Sue Pelbath, Deputy Director, Specialized Services Division, Michael Thomas, Assistant Deputy Director, Specialized Services Division, BEP manager, Emma Godinez, BEP Los Angeles,

DOR staff (by Zoom): Kelly Snow, Business Enterprise Manager, Colleen Bowden, Northern Region Business Enterprise Consultant, Susanna Bishop, BEP Operations Manager, Jennifer Wilbon, Advisory Committee Liaison, Frances Volk, Associate Governmental Program Analyst, Jeremy Santos, Staff Services Analyst, Mandip Dahmi, Northern Field Office, BEC

Members of the public (by Zoom):

Members of the public (in-person): Steve Alford, vendor

## Item 1: CVPC Roll Call and Introduction of DOR Staff and the Public

Max Duarte, CVPC Chair, welcomed attendees, conducted a roll call, and introduced DOR staff and members of the public.

**Item 2: Training Subcommittee, Legislative Subcommittee, BAC Committee Reports**

District 7 Max Duarte: Legislative subcommittee, there is no one in that position right now so there is no report. There are two districts with no representation right now. Discussed micro-markets and mentioned micro-markets now being accessible to the blind. Would like micro-markets to be explored. Suggested lobbying at the Capitol for accessibility for the blind.

**BAC Report**

District 5 Sandy Balani: Next BAC meeting will be held 02/09/23 so there is nothing to report at this time. Discussion at previous BAC meeting about making vending machines accessible to the blind was brought up. Sandy shared her knowledge about micro-markets.

Sue Pelbath: Provided clarification about the BAC committee. Suggested CVPC present concerns to the BAC committee.

Michael Thomas: Suggested building a relationship with BAC members.

District 8 Julie Wakamoto: Agreed with Max, would like to explore micro-markets and added vending machines are an “old concept”. Vending machines also need to be accessible.

**Item 3 Quality Location Development Committee (QLDC) Report**

District 1 Paul Patche II: QLDC met last month and focused on waivers. There are two waivers the CVPC committee will need to ratify.

District 7 Max Duarte: Suggested if QLDC ratifies a waiver, to continue that process, consider it ratified by CVPC and Paul will then bring it to CVPC to be finalized. Explore teaming partner for the Richard’s Blvd Complex.

**Motion:** District 1 moved a motion to waive Department of State Hospitals, Patton Cafeteria. The motion was seconded by District 5.

**Vote:** District 1, yes. District 4, yes. District 5, yes. District 6, yes. District 8, yes

The motion passed.

District 4 Michael Hatch: Michael had questions about waivers.

District 6 Harry Begian: Informed that QLDC approves waivers and then brings it to the CVPC to be approved, officially.

**Motion:** District 1 moved a motion to waive the San Francisco Civic Center Complex, snack bar with a hood. The motioned was seconded by

District 4.

**Vote:** District 1, yes. District 4, yes. District 5, yes. District 6, yes. District 8, yes.

The motion passed.

Sue Pelbath: Asked questions about waivers. Would like to set up a meeting with BEP manager, Susanna Bishop and committee members to discuss waivers. A tracking spreadsheet for waivers is being created.

Michael Thomas: Explained what happens once a location is waived and explained the waiver process. Agreed with District 4, Michael Hatch about following up on waivers sooner, rather than later. Explained that JCC centralizes all the courts in certain locations together. Some locations may see vendors as state employees and not business owners.

District 7 Max Duarte: Max shared once a location is waived, it usually stays waived. Discussed location operation expectations. Shared experience with his vending machines at the prison (about machines getting broken into). Discussed the importance of building relationships.

District 1 Paul Patche II: Participated in waiver and operation of location discussion; shared his experience.

District 5 Sandy Balani: Requested DOR look into a location in Sacramento (State Lottery Building). This building was previously waived and should be coming up again.

District 4 Michael Hatch: Suggested doing a better job at tracking waivers and looking at them ahead of time and not right before they are due. Michael has seen waivers from 3-5 years. CDCR is asking for 10 years. Feels that in general, 10 years is a long time. Discussed level of operation and expectations for locations. Asked if there was an architect on staff.

Susanna Bishop: Agreed a tracking system for waivers should be in place. Explained her understanding of how the waiver process works. Susanna meets regularly with certain departments to build relationships. Susanna talked about different projects that will be done in 2025.

Emma Godinez: Participated in discussion regarding level of operation and expectations for locations.

District 8 Julie Wakamoto: Participated in conversation regarding expectations for locations.

Steve Alford: Participated in conversation regarding expectations for locations.

**Finance Subcommittee Report**

Frances Volk went over report summaries/highlights for the: Performance Report RSA-15 Report, Vending Machine Commissions Report, and went over the amount in the Trust Fund Report.

Kelly Snow: Discussed when the numbers for reports are generated.

Action Item: Kelly Snow to meet with accounting to review financial reports and report findings for the next meeting.

District 7 Max Duarte: Discussed reports. Explained which reports are quarterly reporting’s and which reports are annual reporting’s. Suggested vendors email BEC with complaints and cc’ all appropriate parties such as the managers.

Sue Pelbath: Participated in financial report discussion. Discussed the process in which payment is requested.

Michael Thomas: Participated in financial report and VMU discussion.

District 5 Sandy Balani: Inquired about different financial reports. Recommended communication between the vendor, contractor, and BEC to discuss vending machine issues.

District 8 Julie Wakamoto: Asked about reports and how much was put into the trust fund.

District 4 Michael Hatch: Explained his understanding of the bidding process. Discussed his experience with the repair process.

Susanna Bishop: Explained how VMU contractors are selected. Meter readings are required on a monthly basis. Some VMU contractors do not turn their information in on-time. Susanna shared her opinion on the matter.

Emma Godinez: Participated in discussion regarding vending machine repairs.

District 1 Paul Patche II: Paul commented that machines should not be removed from a facility for repairs.

Public Comment:

Denise Hudson-Mendoza: Had questions about VMU and the bidding process. Discussed her experience with the repair process.

**Rules Subcommittee Report**

Harry Begian, Chair. Discussed reasons shared during the Rules meeting with regard to wanting the election process to be changed. Asked the department to talk with legal about the election process, the nomination and election/voting process. Would like members to propose possible solutions on how the election process can be improved.

District 7 Max Duarte: Asked if W&I code stated that email, phone, and mail can be used for the election process? Max said it can be done electronically.

District 4 Michael Hatch: Changes in regulation can take 6-7 years. Michael discussed ideas for changes. Asked about election wording and details, can it be simplified?

**Item 4:** **Benefits Subcommittee Report. Guest Speaker Nav Mahl with ORIM**

Julie Wakamoto, Chair. There was no Benefits Meeting. Julie mentioned the worker’s comp rate was changed.

Nav Mahl (Devon Lima-Mitchell, ORIM and Carrie Willson, ORIM were also present)

The rate has been set for worker’s compensation. The rate is $10.00 for every $100.00 of payroll that is reported, it was decreased by .50 cents. Current rates for general liability is $8.06 for every $1,000 dollars in net sales. The rate is going up, it is based off the policy premium, and is divided amongst the vendors that are paying back into the policy premium; the rate is going up by $1.29 (because there are less vendors and because it is divided up between the amount of vendors based on the policy premium). It is a set rate. The new rate is $9.35, and the change is $1.29. There was a change in the policy deductible for the property policy. Less vendors in the program means less numbers in net sales. The premium is tied into how much the vendors are bringing into the program. There have not been any losses on the liability side. Base rate/current rate is $59.38 and is broken up between two different portions: one is for the deductible fund, that rate is $32.32, and to pay back the policy premiums for property crime, that rate is $27.06 which totals $59.38. The policy is at the 10k deductible. The monthly base rate is up to the vendors if they want the amount changed. NAV will make it effective 03/01/23 and due 04/25/23, MOR’s. Members were asked what they wanted to do. The workers comp fund is at 2.5 million.

District 7 Max Duarte: Asked members if they wanted to change or keep deductible the same. The majority decided to go with $1,000, pay the $79.00 monthly/leave as is. Nav will type a letter that will go out to the vendors. Base rate $59.38 will now go up to $79.18.

District 4 Michael Hatch: Michael had questions about premiums and liability and questions about property insurance. Michael suggested vendors explore property insurance quotes to see if they can get a better rate. Michael also had questions about general liability claims.

District 6 Harry Begian: Harry asked questions about vendors, net sales, and liability.

District 8 Julie Wakamoto: Questions about premiums. Asked about net sales.

Why is the cost of liability going up if there are less vendors? Julie shared her opinion about the benefits of vendors keeping property insurance.

Max Duarte: Questions about coverage, deductibles, general liability rates, and asked can vendors get their own property insurance? Max feels the deductibles are becoming cumbersome and would like to discuss the property insurance deductible at the next Benefits Meeting.

Sue Pelbath: Asked questions about deductibles and claims.

Michael Thomas: Asked questions about property insurance and general liability.

District 1 Paul Patche II: Offered his suggestions regarding property insurance and suggests exploring other options.

District 5 Sandy Balani: Asked questions about property insurance.

**Training Subcommittee Report**

Sandy Balani: A training officer was hired. Discussed annual training, would like a training to occur this year, and location options will be Ontario, Sacramento, or Anaheim. Next Training Meeting will be 02/22/23.

Sue Pelbath: Suggested locations for the training.

District 7 Max Duarte: Suggested locations depending on how many vendors are coming so that costs are taken into consideration. Other states mandate vendors to participate in training. Hard to get speakers to attend training during the week, suggested training occur on the weekend.

District 8 Julie Wakamoto: Suggested weekday training.

District 4 Michael Hatch: Michael mentioned that there are fewer vendors than in the past. Michael participated in the training discussion.

Susanna Bishop: Asked if the training officer will help with the planning of the vendor training. Training officer will start on 02/21/23. Susanna talked about the trainer’s background and experience.

Sue Pelbath: Talked about consumer debit card.

Action Item: The department to send out a survey to see how many vendors will be attending the fall training meeting.

**Item 5: District Reports**

District 1 Paul Patche II: Nothing to report.

District 4 Michael Hatch: Michael shared that there is a new vendor in the district.

District 5 Sandy Balani: Nothing to report.

District 6 Harry Begian: Named two individuals not doing well. There is a new interim vendor in Norwalk, at the Metropolitan Hospital.
District 7 Max Duarte: Shared he still has ups and downs at the prisons and named various reasons. Stressed the importance of vendors to participate in meetings and trainings.

District 8 Julie Wakamoto: Shared what was going on in her district. Dealing with people in the rest areas who cause problems. She has had more break-ins this year than last year.

**Item 6: Action Items Report**

No action items reported.

**Item 7: Open Forum**

District 7 Max Duarte: Had questions for the department and asked about strategic plan. MOR’s are sent to BEC and accounting.

Michael Thomas: Asked what committee strategic plan should be addressed in.

District 4 Michael Hatch: Shared opinion about strategic plans. Discussed vendors sending in MOR’s and checks.

District 1 Paul Patche II: Share opinion about strategic plans. Paul participated in the MOR/accounting discussion and shared an experience.

Susanna Bishop: Shared her experience and knowledge with strategic plans.

Emma Godinez: Discussed sending in MOR’s and checks.

Public Comment
Steve Alford: Shared his frustration with accounting.

Adjourn: The meeting adjourned at 3:00 PM.