**State of California**

**Health and Human Services Agency**

**Department of Rehabilitation (DOR)**

## California Vendor Policy Committee (CVPC) Meeting

## Wednesday, December 14, 2022, Day 1 of 2

1:00 p.m. – 5:00 p.m.

Hybrid meeting held in DOR Central Office, 721 Capitol Mall, Room 301

Sacramento, CA 95814, with virtual participation available via Zoom.

**In attendance**:

CVPC members (in-person): Max Duarte (District 7), Sandy Balani (District 5), Michael Hatch (District 4), Paul Patche II (District 1), Harry Begian (District 6),

District (2 and 3) absent

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

DOR staff (in person): Michael Thomas, Assistant Deputy Director, Sue Pelbath, Deputy Director SSD, and Jennifer Wilbon

DOR staff (by Zoom): Kelly Snow, BEP Manager, Emma Godinez, BEP Los Angeles

Members of the public (by Zoom): Joe Murphy, Jerry Gann, Tristen Kelly, Michael Davis, James Pappas, Anthony Zee

Members of the public (in-person): None

## 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: Executive Committee Reports Chair’s Report**Max lead a discussion on issues related to the BEP and the success of BEP vendors**.** Willie Shoemaker retired, his location was announced, and interviews were conducted, the winner of his location is not known at this time. Roadside rests “holding on”. Prisons are “up and down”. Women’s prison is down to 700 inmates. State and federal buildings were low with worker’s coming back and are at 30% capacity. PFST met today and have identified issues to concentrate on. Max would like to revisit procurement process. Continue training and see how to get more vendors. Identify where to make changes need to be made and collaborate on how to make those changes. Michael Hatch is tracking the action items.

**Vice Chair’s Report**

Michael Hatch, Vice Chair. Michael discussed action items and new procedures to be utilized to keep action items up to date. There are 4 action items noted.

Action item #1: The first action item had to do with the non-profit status with the committee. Max responded that currently no progress has been made due to the holidays. Max is going to seek advice from his accountant.

Action item #2: Re-doing a motion regarding CDCR, the idea of the original motion is to try to get CVPC participation in some of the meetings with CDCR. Nothing has been done on this. Hoping to come up with another motion, re-wording the verbiage, and hoping to get a positive response. BEP received some potential language from CDCR regarding a MOU.

Action item #3: There was always an ORIM representative at CVPC meetings to give updates. Would like to have ORIM attend CVPC meetings on an on-going basis.

Action item #4: On-going training conferences have not occurred because of Covid, would like to aim for spring to hold a conference.

Susan Pelbath: There are some challenges with vendors and the prisons, the department is trying to build relationships with the prisons. Gather a list of concerns to provide to Susanna. Provided 2023 CVPC meeting dates.

Michael Thomas: Some locations have not had service for many years.

District 1 Paul Patche II: Would like to get through waivers because there is a back log. Trying to establish a guideline so the department knows what the committee needs to evaluate the waivers and move forward in a quicker manner.

District 4 Michael Hatch: Would like waiver language, for example, if we give a waiver, then we need the agency to collect sales data. Michael will put training as a topic in agenda as the first item so it keeps things in order.

District 7 Max Duarte: Discussed regulations and subcommittee roles. CDCR is looking for specific wording in the MOU. ORIM will present during this CVPC meeting and hoping they can present at future meetings. NFBEI offers assistance in developing annual training classes and technical assistance for vendors. Would like to put a motion to have DOR pay for it because the vendors paid before and would like DOR to pay. Vendors have not had an annual training for the past 2-3 years.

District 8 Julie Wakamoto: Commented on training.

Public comments and questions:

Jerry Gann: Would like to know why NFBEI training agency was chosen. Why was this agency chosen?

**Secretary – Treasure’s Report**

District 5 Sandy Balani, Secretary Treasurer: Did not yet get paperwork filed with FTB to get the non-profit certification. Balance in the account is $53.01. Would like the department to pay for training.

**Motion:** District 5 Sandy Balani moves a motion to approve the October 2022 CVPC meeting minutes. Paul Patche II, seconds the motion. Motion passed. Minutes approved.

**Department and Business Enterprises Program (BEP) Reports**

Michael Thomas: Requesting staff and vendors work together to be successful. Challenge vendors to be the best vendor they can be. If there are any vendor issues/concerns, be sure to let more than one person know, beside the field manager. Report possible locations to Susanna Bishop.

Kelly Snow: When there is a vendor issue, the delegate should talk to the manager. RSA meeting last month, met with two other states and talked about what direction the BEP program is going in and what opportunities are available. RSA needs to participate more than they have in the past and are willing. State buildings people are not coming back. For example, DGS said they are not coming back and would like to take back space. Buildings may be sold to the private sector or agencies may be stacked. Wants others to be aware that they may be pressured to give back their space. The land in San Diego is being leased; the state does not own that building.

District 1 Ryan Patche II: Would like to know if it is possible to have vendors work with their delegate to fix situations that arise.

District 6 Harry Begian: Asked how many vendors there are? Feels issues that arise come from new vendors. In regard to giving space back, suggested this is where vendors need to be proactive, consult with the legal department.

District 7 Max Duarte: Suggested BEC to help vendors do better. Reach out to vendors. There are vendors with challenges. Max believes vendors will come back from the pandemic (in regard to Kelly’s comment about giving back space). Also, if staff are not coming back, why do they need the vendors space?

Public members comments and questions:

Tristen Kelly: Expressed frustration. He has not had any repairs to his machines/has not had any of his machines replaced in the prisons. Feels the program is dying.

Steve Alford: Would like to remind everyone if a building is state or federal owned, vendors still have priority.

## Item 3: Challenges Facing BEP Vendors

District 7 Max introduced ORIM, had an actuarial done on the workers comp rate and will make a decision on what the workers compensation rate will be for next year. Questions that arose: Can vendors get their own worker’s comp? Why is that not a possibility? Max explained. Max invited Nav to attend the CVPC meetings to discuss worker’s comp. Max shared his experiences with his vending machines at the prison.

Nav Mahl: Reached out to Bickmore and asked Becky to go over the actuarial study that she conducted to present what she found, how healthy the fund is, and give the recommendation for next year. Currently the work comp rate is set at $10.00 for every $100.00 of payroll. Assets being held at Wells Fargo and is controlled by DOR. Nav does not have the details how the account is set up but will look into it. MOR’s to be effect in January.

Becky Richard from Bickmore went over the Actuarial Study/Actuarial Review of the Self-Insured Workers’ Compensation Program and presented its findings.

Kelly Snow: Equipment is supposed to be inspected and will look into this issue.

Emma Godinez: Make sure to notify her of any issues/concerns so she can see what she can do to help resolve the issue.

Committee members comment and questions:

District 4 Michael Hatch: Asked Becky to read aloud the different confidence levels at the different rates.

District 6 Harry Begian: Had a question for Becky about lowering rates.

**Motion:** District 6 Harry Begian moves a motion: For the worker’s compensation rate to be adjusted to $9.50 from $10.00 for January through December 2023. Sandy second the motion. Motion passes.

District 1 Paul Patche II: Discussed vendors having to assess machine programming.

District 4 Michael Hatch: Addressed Anthony's issues that equipment should be clean and in working condition and if not, should not be shipped off. Equipment should not be put in the warehouse in bad shape. There should at least be a note stating the equipment does not work.

District 5 Sandy Balani: Agrees with Michael Thomas that there should be a standardized procedure regarding issues and send an email to more than one person.

District 6 Harry Begian: Believes specific people should be assigned to handle specific things.

District 8 Julie Wakamoto: Would like to know if equipment issues can be address in PFST. Julie discussed her concerns with rest areas and how much food is wasted.

Public members comment and questions:

Joe Murphy: Likes the idea of dropping the Worker’s Compensation amount to $9.50 to give a little relief. He also wants to know how assets are being held?

Anthony Zee: Can vendors get their own worker’s comp? Why is that not a possibility? Who does he report possible locations to? Suggested coming up with a plan to ensure equipment and machines are clean, operative, and functional.

Debra Deniz: Discussed concerns with not having frozen machines in the prison

Steve Alford: Make sure BEC follows up with vendors regarding issues.

**Motion:** District 5 Sandy Balani motion to move: to adjourn meeting at 4:53 p.m.

District 6 Harry Begian, seconds the motion. Motion passes. Meeting adjourned at 4:55 p.m.