**State of California**

**Health and Human Services Agency**

**Department of Rehabilitation (DOR)**

## California Vendor Policy Committee (CVPC) Meeting

## Thursday, February 6, 2025

9:00 a.m. – 2:30 p.m.

Hybrid meeting held at Department of Rehabilitation Central Office, 721

Capitol Mall, Room 301, Sacramento, CA 95814, with virtual participation available via Zoom

**In attendance**:

CVPC members (in-person): Paul Patche II (District 1), Joni Patche (District 3), Michael Hatch (District 4), Sandy Balani (District 5), Max Duarte (District 7),

CVPC members (by Zoom): Anthony Szi (District 2), Harry Begian (District 6), Jerry Gann (District 8)

DOR staff (in person): Sue Pelbath, Luis Rodriguez, Carlene Guzman, Oscar Chavez, Brandon Birchell, Joshua Pitts, Jennifer Wilbon

DOR staff (by Zoom): Kim Rutledge, Kelly Snow, Emma Godinez

Members of the public (by Zoom): Denise Hudson-Mendoza, Steve Alford, Dave Carroll, Maria Trovato, Naresh Balani, James Pappas, Claudia and Reed with Sodexo

**Meeting Minutes**

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

Vice Chair welcomed attendees, conducted a roll call, and introduced DOR staff and members of the public. Introduction of Kim Rutledge, newly appointed Director of Department of Rehabilitation.

**Item 2: Executive Committee Reports: Chair’s Report, Vice Chair’s Report, Secretary-Treasure’s Report,** **Department and Business Enterprises Program (BEP) Reports**

**Chair and Vice Chair’s report**

Committee members comments and questions

* Most action items have been taken care of since last meeting
* Discussed redistricting and getting a list of primary vendors
* Reviewed Bylaws, CVPC can vote and appoint a delegate for District 2 as he was the previous delegate
* Anthony Szi appointed delegate for District 2 until the next election cycle
* This is an election year (September)
* Redistricting, cannot do the same year that there is an election

**Motion:** District 1 moved a motion to appoint Anthony Szi into the role of District 2 delegate until the next election cycle. The motion was seconded by District 6.

**Vote:** District 1, yes. District 3, yes. District 4, yes. District 5, yes. District 6, yes. District 8, yes. The motion passed.

**Secretary – Treasure’s Report**

Committee members comments and questions

* BEP training conference was held December 2024
* Discussion of funds/how much is in the account
* Would like to spend the money toward the 2025 conference
* Shared ideas for the 2025 BEP training conference

**Motion:** District 5moved a motion to approve the November 2024 meeting minutes. The motion was seconded by District 1.

**Vote:** District 1, yes. District 2, yes. District 3, yes. District 4, yes. District 5, yes. District 6, yes. District 8, yes. The motion passed.

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

Department comments and questions

* Discussed department vacancies at central office. Working on filling vacancies for the training officer position
* Reviewed analysis on leases vs. purchases/cost comparison for vending machines based on federal fiscal year 2023 - 2024
* BEP owns approx. 2400 vending machines with a 7-year life expectancy
* The department recently purchased a large quantity of machines
* If vendors have broken machines or need repairs, work with your BEC
* Leasing questions, unsure if vendors receive matching funds from the federal government, will research
* Northern field office: vacant BEC positions, filled the office technician position, one open SSA position and recruitment for this position will begin soon
* Southern field office: fully staffed, discussed vending machine repairs, difficult finding a vending machine contractor
* Reviewed purchases and other key activities that have taken place with the BEP program
* Summarized RSA 15 report
* Provided Location update, Location 760

Committee members comments and questions

* Questions about vending machines and purchase prices
* Suggested doing a smaller section/smaller portion of the contract in the state where there are issues getting a contractor
* Questions about the 2400 vending machines, how many work and can vendors receive this information
* Discussed warranties and offered suggestions to reduce costs
* Leasing questions, do vendors receive matching funds from the federal government
* Feels that leasing is not beneficial for the program

**Item 3: Training Committee Report**

Committee members comments and questions

* Provided quick review of the 2024 training conference
* 10 candidates for the training officer position
* 2025 BEP training conference will be held in Southern California at the Hilton Anaheim, 09/03/25 – 09/05/25 (Wed – Fri), during the week instead of the weekend

**Item 4: Benefits subcommittee report**

Committee members comments and questions

* Bickmore and ORIM presented at the Benefits Subcommittee meeting. 0 claims for workers comp in 2024. Discussed rates. Current rate $9.50 for the 2025 – 2026 year. Recommend a drop to $9.00
* Discussed the liability rate and deductible for 2025
* Discussion took place about the deductible going up
* Discussion took place about property insurance, property insurance is not required
* Would like to know what the renewal timeframe is
* Vendors cannot get their own liability insurance
* Would like to know what vendors can anticipate for next year
* Should vendors go with the recommendations to raise it, or leave everything the same in the meantime
* If voted to increase, when does everything go into effect
* Suggested leaving it for now until more information is received

Public members comments and questions

* Explained that the property policy was required in the BEP contract; should check to see how the clause is written on the BEP property policy
* The renewal time is in July
* Explained the reason for increases and explained coverages
* Effective date March 1st and due on the April 25th MOR’s

**Motion:** District 3 moved a motion to recommend dropping the worker’s comp rate to 9%, effective on the February MOR’s. The motion was seconded by District 5.

**Vote:** District 1, yes. District 2, yes. District 3, yes. District 4, yes. District 5, yes. District 6, yes. District 8, yes. The motion passed.

**Motion:** District 3 moved a motion to recommend eliminating the personal property part of the liability insurance. The motion was seconded by District 5.

**Vote:** District 1, yes. District 2, yes. District 3, yes. District 4, yes. District 5, yes. District 6, yes. District 8, yes. The motion passed.

**Item 5: BAC Report**

Committee members comments and questions

* Discussed purchasing accessible vending machines
* Talked about micro markets

**Item 6: QLDC Report**

Committee members comments and questions

* Shared what occurred at the last two QLDC meetings
* Discussion took place regarding the Compton Courthouse waiver; the committee did not support this waiver
* Shared the background of the Compton Courthouse location
* 2024 flood in the building
* Asked if there was a contractor who can go into the Compton Courthouse building and bring the facility up to date, see if equipment is working and what costs will be incurred
* Shared concerns regarding the courthouse, options, and the request to waive it
* Should Compton Courthouse be recirculated
* Compton Courthouse in a high crime rate area
* Suggested downsizing
* What will happen to the equipment

Department comments and questions

* Equipment is in place at the Compton Courthouse building, nothing has been removed from the cafeteria, and everything should be in working order
* Reviewed the building numbers prior to COVID
* Without the current vendor resigning his primary, the Compton Courthouse location cannot be re-announced
* Reviewed Compton Courthouse building population
* Compton Courthouse would like a cafeteria opened or waive it
* The location has suffered some changes such as reduced foot traffic because of COVID
* Clarified regulations when putting locations together
* The department would try to sell the equipment

**Motion:** District 8 moved a motion to waive the Compton Courthouse Cafeteria for 5 years. The motion was seconded by District 5.

**Vote:** District 1, no. District 2, yes. District 3, no. District 4, yes. District 5, yes. District 6, yes. District 8, yes. The motion passed.

**Item 7: Rules Subcommittee Report**

Committee members comments and questions

* Asked that the 2 motions from the last Rules meeting be read aloud
* Summarized what occurred at the last Rules meeting
* The language will need to be revised
* Will need to figure out how to score if business plans are removed
* Will have to figure out how vendors will be evaluated

Department comments and questions

* The 2 motions were read from the last Rules subcommittee meeting

Motion: Harry Begian moved a motion that the following proposal from the legal department pertaining to exclusion of Business Plans from DOD facility’s selection processes, be approved by CVPC, and forwarded to DOR in accordance with the regulation process.

Motion: Jerry Gann moved a motion that the CVPC approve the exclusion of business plan requirements from the entire selection process.

**Motion:** District 6 moved a motion that the following proposal from the legal department pertaining to exclusion of Business Plans from DOD facility’s selection processes, be approved by CVPC, and forwarded to DOR in accordance with the regulation process. The motion was seconded by District 5.

**Vote:** District 1, no. District 2, yes. District 3, no. District 4, yes. District 5, yes. District 6, yes. District 8, yes. The motion passed.

**Motion:** District 6 moved a motion that the CVPC approve the exclusion of business plan requirements from the entire selection process. The motion was seconded by district 5.

**Vote:** District 1, yes. District 2, yes. District 3, yes. District 4, yes. District 5, yes. District 6, yes. District 8, yes. The motion passed.

**Item 8: Finance Subcommittee Report**

Department comments and questions

* Reviewed summary of RSA 15
* Will be sending more reports out
* Once accounting has the finalized numbers, the Vending Machine Commission report will be sent out
* Do not have the VMU numbers yet, once received, will send out report
* The trust fund balance (last report), $3,570,939.00 (but has probably changed within the past 3 months), will send updated report/balance, once received
* The target amount for the trust fund is over $3 million

Committee member comments and questions

* Appreciates getting the report prior to the meeting, gives vendors time to review
* Would like to know if the vending machine commission report has been sent out
* What is the target amount in the trust fund

Public members comments and questions

* Would like to know how the trust fund is doing

**Item 9: Legislative Subcommittee Report**

Committee members comments and questions

* There is no chair, have not had a meeting
* Provided some legislative updates that could affect vendors

**Item 10: Sodexo Buying Group presentation**

Presentation by Claudia and Reed. Provided overview. Some highlights include: Manages rebate programs. Represent purchasing through RSA. Have over 150 supply managers that are directly involved with negotiations. Shared how Sodexo can support vendors. Sodexo is for all blind vendors. Vendors can send inventory, and Sodexo will help figure out volume and come back with an analysis and side-by-side comparison.

Committee members comments and questions

* Would like to know if Sodexo is for all vendors
* Which suppliers in California qualify for the rebate program
* Would like to know if vendors send inventory to Sodexo, can Sodexo figure out the volume
* If a vendor is running multiple locations, can the vendor get rebates at all locations
* Questions were asked about rebates and savings
* Questions about purveyors

**Item 11: District Reports**

Committee members comments and questions

* Some vendors are still having trouble getting repairs
* May Lee office complex struggling because not enough sales
* Expressed concerns with providing additional information with MOR’s
* Participated in meter reading discussion

Department comments and questions

* Participated in meter reading and MOR discussion

**Item 12: Suggestions for next meeting, Discuss and update action items, Open Forum**

Committee members comments and questions

* Add meter reading topic to the next CVPC agenda

Department comments and questions

* Suggested to add meter reading topic to the next agenda

Meeting adjourned at 2:30pm